DRAFT RED HERRING PROSPECTUS
Dated September 30, 2009
Please read Sections 60 and 60B of the Companies Act, 1956
The Draft Red Herring Prospectus will be updated upon filing with the RoC
100% Book Building Issue

Kumar Builders

KUMAR URBAN DEVELOPMENT LIMITED

The company was originally incorporated as Kumar Housing & Land Development Limited on May 25, 1993 in Pune as a public limited company under the Companies Act, 1956. The Company's name was changed to Kumar Urban Development Limited pursuant to a special resolution dated January 25, 2008. A fresh certificate of incorporation consequent upon the name change was granted to the Company on February 7, 2008. See 'History and Certain Corporate Matters" on page 141.

Registered Office: Kumar Capital, 2nd Floor, 2413, East Street, Pune 411 001 **Tel**: (91 20) 4000 6000; **Fax**: (91 20) 2633 0584
Contact Person: Ms. Sheetal Joshi; Tel No.: (91 20) 4000 6000; Fax: (91 20) 2633 0584
Email: investors@kudl.in; **Website:** www.kudl.in

OUR PROMOTERS: MR. LALITKUMAR JAIN, LALITKUMAR JAIN (HUF), KRUTI KUMAR REALTY HOLDINGS PRIVATE LIMITED AND SUKUMAR HOUSING AND FINANCE PRIVATE LIMITED.

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. [●] EACH OF KUMAR URBAN DEVELOPMENT LIMITED. (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING UP TO Rs. 4,500 MILLION (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE [●]% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY. $

$ The Company is considering a Pre-IPO Placement of Equity Shares with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post-Issue paid-up capital being offered to the public.

THE FACE VALUE OF THE EQUITY SHARE Rs. [●] EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.
THE ISSUE PRICE 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, the Bidding Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/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 National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), Provided that our Company may allocate up to 30% of the QIB portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). Further, out of which 5% of the QIB Portion (as defined below) less Anchor Investor Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Issuer, there has been no formal market for the Equity Shares of the Issuer. The face value of the Equity Shares is Rs. 10 and the Floor Price is [●] times of the Face Value. The Issue Price (has been determined and justified by the lead merchant banker and the Issuer as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of the Issuer nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the statement of 'Risk Factors" beginning on page 1 under the section 'General Risks'.

IPO GRADING

This Issue has been graded by Credit Analysis and Research Limited as [●], indicating [●] through its letter dated [●]. For details see section titled "General Information" on page 42 and refer to "Material Contracts and Documents for Inspection" on page 460.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approval from NSE and BSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively. For purposes of this Issue, the Designated Stock Exchange is the [●].

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
Enam Securities Private Limited 801, Dalamal Towers Nariman Point Mumbai 400 021, India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: kudl.ipo@enam.com Investor grievance id: complaints@enam.com Website: www.enam.com Contact Person: Ms. Kanika Sarawgi SEBI Registration No.: INM000006856	**Link Intime India Private Limited** C-13, Kantilal Maganlal Industrial Estate Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai Tel No. (022) 2596 0320 Fax No. (022) 2596 0329 Email ID: kudl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Chetan Shinde

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]*	BID/ISSUE CLOSES ON	[●]

** Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", or "us", or "our"	Unless the context otherwise requires, refers to Kumar Urban Development Limited and its Subsidiaries and Other Development Entities
"KUDL" , "Issuer", "the Company", "our Company" or "KUDL"	Kumar Urban Development Limited, a public limited company incorporated under the Companies Act having its registered office at Kumar Capital, 2nd floor, 2413, East Street, Pune 411 001

Conventional and General Terms/Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CESTAT	Central Excise and Service Tax Appellate Tribunal
CMPDI	Central Mine Planning and Design Institute Limited
CST	Central Sales Tax
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EIA Notification, 2006	Environmental Impact Assessment Notification, 2006
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product

Term	Description
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JV	Joint Venture
LIBOR	London Interbank Offered Rate
Mn	Million
MoEF	Ministry of Environment and Forests
MoU	Memorandum of Understanding
NAV	Net Asset Value
NOC	No Objection Certificate
NEFT	National Electronic Fund Transfer
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	The Reserve Bank of India
Re.	One Indian Rupee
RoC	The Registrar of Companies in Pune
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Term	Description
SCSB	Self Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
SEZ Act	Special Economic Zone Act, 2005
SEZ Policy	Special Economic Policy of the Government of India
SEZ Rules	Special Economic Zone Rules, 2006 amended till 2009
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SPV	Special Purpose Vehicle
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchange(s)	BSE and/or NSE as the context may refer to
TAN	Tax Deduction Account Number
TIN	Tax Identification Number
UIN	Unique Identification Number
U.S./USA	United States of America
UNCITRAL	United Nations Commission on International Trade Law
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time
VAT	Value Added Tax

Company Related Terms

Term	Description
Articles/Articles of Association	The articles of association of the Company
Auditors	The statutory auditors of the Company namely Lodha & Company
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof
Developable Area	Total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
Forthcoming Projects	Properties that are in initial stages of planning or where the approvals are in the process of being obtained but construction has not yet begun
Group Entities	Includes those companies, firms and ventures disclosed in the section "Group Companies" on page 169, promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act
KBTDPL	Kumar Builders Township Developers Private Limited
KBTVPL	Kumar Builders Township Ventures Private Limited
KCCL	Kumar City Club Limited
KDPL	Khiranagar Development Private Limited
KHCL	Kumar Housing Corporation Limited
KPPL	Kumar Perfumaries Private Limited
KSDL	Kumar Sinew Developers Limited

Term	Description
Land Reserves	Our Land Reserves are land, where title of the land, interest in land or the possession of land is owned by our Company, our Subsidiaries or our Other Development Entities. They also include land in respect of which our Company, our Subsidiaries or our Other Development Entities have entered into an agreement, including a joint development agreement or a memorandum of understanding to purchase or develop land.
LKDPL	L.K Developer Private Limited
Memorandum/ Memorandum of Association	The memorandum of association of the Company
Ongoing Projects	Properties on which construction or development is currently underway and the approvals have been received
Other Development Entities	Entities with whom or through whom we are carrying out real estate development activities and which excludes us and our Subsidiaries; 1. Kumar Builders 2. Kumar Beheray Rathi 3. K.K. Erectors 4. Kumar Sons 5. Kumar Builders Consortium 6. Kumar Builders Township Ventures 7. Techno lifestyle Development Corporation 8. Omved Turnkey Project Developers 9. K.G. Ventures 10. Kumar Builders Mumbai 11. Sarsan Kumar Developers 12. Kumar Estates 13. Pune Mumbai Realty 14. Kumar Urbana 15. K. K Bazaar
PMC	Pune Municipal Corporation
PMRPL	Pune Mumbai Realty Private Limited
Promoter(s)	The promoters of the Company, namely, Mr. Lalitkumar Jain, Lalitkumar Jain (HUF), Kruti Kumar Realty Holdings Private Limited and Sukumar Housing and Finance Private Limited
Promoter Group	Includes such persons and entities constituting our promoter group pursuant to Regulation 2(zb) of the SEBI Regulations and includes L.K Jain (HUF), K.K. Bazaar, Avi Constructions, K G Ventures, K K Erectors, Kumar Builder Township Developer Private Limited, Ketki Properties and Estates Private Limited, Khiranagar Development Private Limited, Krutikumar Realty Holdings Private Limited, Kumar Aatman, Kumar Behrey Rathi, Kumar Builder, Kumar Builders, Kumar Builders Township Ventures, Kumar Builders Township Ventures Private Limited, Kumar Builders Mumbai, Kumar Builders Consortium, Kumar City Club Limited, Kumar Developers, Kumar e-Commerce Private Limited, Kumar Estates, Kumar Horticulture Private Limited, Kumar Housing Corporation Limited, Kumar Perfumeries Private Limited, Kumar Santosh, Kumar Sinew Developers Limited, Kumar Sons, Kumar Urbana, L.K. Urban Development Private Limited, L.K Developers Private Limited, Omved Turnkey Project Developers, Orange City Infrastructure Developers Private Limited, Oswal Nibjiya Mutha Associates, Pune-Mumbai Realty Private Limited, Pune Rehabilitation Projects Private Limited, Pune Technopolis Development Private Limited, Pune Urban Estates Private Limited, Riverview Properties Private Limited, Sadashiv Development , Sinew Developers Limited, Sublime Infratstructure Private Limited, Sukumar e-Commerce Limited, Sukumar Enviro Farms Private Limited, Sukumar Housing and Finance Private Limited, Sukumar Machines and Constructions Private Limited, Suryodaya Estates, Symphony Club Private Limited, Technolifestyle Development Corporation, Kruti Family Trust, Mrs. Madhu Lalitkumar Jain, Ms.

Term	Description
	Kruti Lalitkumar Jain, Pranay Jain, Mr. Shailesh Hingarh, Mr. Pravin Hingarh, Mrs. Shanta Hingarh, Ms. Sangeeta Sancheti, Ms. Snehalata Jain, Ms. Jagruti Hingarh, Shree Engineering, Shatrunjay Credit Services Limited, Kistler – Morse Automation Private Limited, Jaikh Farbicast Engineering Private Limited, Control Engineers, Darshana Painters, Shailesh Hingarh (HUF), Shailesh Hingarh & Co. (Chartered Accountants), Online Management Services Private Limited, Asai International, GCM Housing and Finance Private Limited
PTDPL	Pune Technopolis Development Private Limited
Registered Office	The registered office of the Company, located at Kumar Capital, 2nd floor, 2413, East Street, Pune 411 001
RVPPL	Riverview Properties Private Limited
SDL	Sinew Developers Limited
SEFPL	Sukumar Enviro Farms Private Limited
Subsidiaries	1. Kumar Perfumries Private Limited ("**KPPL**") 2. Sukumar Enviro Farms Private Limited ("**SEFPL**") 3. Kumar Housing Corporation Limited ("**KHCL**") 4. Sinew Developers Limited ("**SDL**") 5. Kumar Builders Township Ventures Private Limited ("**KBTVPL**") 6. Kumar City Club Limited ("**KCCL**") 7. Pune-Mumbai Realty Private Limited ("**PMRPL**") 8. Riverview Properties Private Limited ("**RVPPL**") 9. Pune Technopolis Development Private Limited ("**PTDPL**") 10. L.K Developers Private Limited ("**LKDPL**") 11. Khiranagar Development Private Limited ("**KDPL**") 12. Kumar Builder Township Developer Private Limited ("**KBTDPL**") 13. Kumar Sinew Developers Limited ("**KSDL**") See 'History and Corporate Structure' on page 141.
Supplemental Agreement	Agreement dated September 21, 2009 entered into by our Company with Reliance Capital Limited in superscession of the earlier share subscription and shareholders agreement.

Issue Related Terms

Term	Description
Allotment/Allot	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category,who has Bid for Equity Shares amounting to at least Rs. 100 million
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic mutual funds, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation is being done to Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM prior to the Bid Opening Date
Anchor Investor Bid/Issue	The date one day prior to the Bid/Issue Opening Date on which bidding by

Term	Description
Period	Anchor Investors shall open and shall be completed
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed
ASBA / Application Supported by Blocked Amount	The application (whether physical or electronic) used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and, (a) is bidding at Cut-off Price, with single option as to the number of shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her bid; and (d) is not bidding under any of the reserved categories
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Draft Red Herring Prospectus and the Prospectus
ASBA Public Issue Account	A bank account of the Company, under Section 73 of the Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Bankers to the Company	IDBI Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 393
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares of the Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by a Bidder on submission of a Bid in the Issue
Bid /Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national newspaper and Hindi national newspaper and Marathi newspaper, each with wide circulation
Bid /Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper and Hindi national newspaper and Marathi newspaper, each with wide circulation
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares and which shall be considered as the application for the issue of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and Anchor Investor
Bidding/Issue Period	The period between the Bid Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Bid Price	[●]
Book Building Process/Method	Book building route as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BRLM/ Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Enam Securities Private Limited

Term	Description
BRLM Memorandum of Understanding	The agreement entered into on September 29, 2009 between the Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	Except in relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted, including any revision thereof
Controlling Branches	Such branches of the SCSB which coordinates with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated September 30, 2009 filed with SEBI and issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Enam/Enam Securities	Enam Securities Private Limited
Equity Shares	Equity shares of the Company of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by the Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s)which is a/ are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted

Term	Description
Issue	Public issue of [●] Equity Shares of Rs. [●] each of the Company for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. 4,500 million. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced proportionately with the reduction of the remainder of the Issue.
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidder, which may be higher than the Anchor Investor Issue Price, in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
Margin Amount	Except in relation to Anchor Investor Margin Amount, the amount paid by the Bidder at the time of submission of Bid, being 10% to 100% of the Bid Amount
Mutual Fund Portion	5% of the QIB Portion (excluding Anchor Investor Portion) or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding Anchor Investor Portion) on a proportionate basis. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, Mutual Fund Portion would be reduced proportionately with the reduction of the remainder of the Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section titled "Objects of the Issue" on page 60 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Non-Institutional Portion would be reduced proportionately with the reduction of the remainder of the Issue.
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pay-in Date	Except with respect to ASBA Bidders, the Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two days after the Bid Closing Date
Pay-in-Period	Except with respect to ASBA Bidders, those Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date; and

Term	Description
	With respect to Bidders, except Anchor Investors, whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the last date specified in the CAN With respect to Anchor Investors, the Anchor Investor Bidding Date and the last specified in the CAN which shall not be later than two days after the Bid Closing Date
Pre-IPO Placement : `	A pre-placement of Equity Shares to various investors made by the Company prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by the Company in consultation with the Book Running Lead Manager and advertised at least two (2) working days prior to the Bid/Issue Opening Date in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation
Pricing Date	The date on which the Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount, paid by QIB bidders at the time of submission of their bid
QIB Portion	The portion of the Issue being at least [●] Equity Shares of Rs. [●] each to be Allotted to QIBs. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the QIB Portion would be reduced proportionately with the reduction of the remainder of the Issue
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund Banker(s)	[●]

Term	Description
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar/Registrar to the Issue	Link Intime India Private Limited
Resident Retail Individual Investor or RRII	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than [●] Equity Shares of Rs. [●] each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLM and the Syndicate Member (if any)
Syndicate Agreement	The agreement to be entered into between the Syndicate and the Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
TRS/Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriter and the Company to be entered into on or after the Pricing Date

Issuer/Industry Related Terms

Term	Description
AAI	Airport Authority of India
Acre	Equals 43,560 sq. ft
CRIS INFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research and Information Services Limited
FSI	Floor Space Index
Gunta	Equals 1089 sq. ft
IT	Information Technology
ITES	Information Technology Enabled Services
SBA	Super Built up Area
Sq. ft.	Square Feet
Sy.No.	Survey Number

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the restated financial statements of the Company, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Draft Red Herring Prospectus.

The fiscal year of the Company commences on April 1 of each year and ends on March 31 of the next year. All references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences among Indian GAAP, IFRS and US GAAP. See Summary of Significance Difference Between Indian GAAP, IFRS and US GAAP on Page 247. The Company urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America, its territories and possessions and all references to "UK" are to the United Kingdom of Great Britain and Northern Ireland, together with all its territories and possessions.

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

Currency and units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America. As on March 31, 2009, the exchange rate of USD into Rupees is Rs. 50.95. In this Draft Red Herring Prospectus the Company has presented certain numerical information in "million" units. One million represents 1,000,000.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and Government data. 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 industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

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

FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with the Company's expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which the Company has its businesses and its ability to respond to them, the Company's ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India, which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the Company's industry. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

- the performance of the real estate market and the availability of real estate financing in India;
- the extent to which sale proceeds differ from our land valuations;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to replenish our land reserves and identify suitable projects;
- our ability to acquire lands for which we have entered into MoUs;
- the extent to which our projects qualify for percentage of completion revenue recognition;
- impairment of our title to land;
- our ability to compete effectively, particularly in new markets and businesses;
- our ability to anticipate trends in and suitably expand our current business lines;
- the extent to which we can develop our new business segments;
- raw material costs, , land cost and construction material costs;
- the continued availability of applicable tax benefits;
- our dependence on key personnel;
- conflicts of interest with affiliated companies, the promoter group and other related parties;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy.

For further discussion of factors that could cause the Company's actual results to differ from its expectations, see the sections titled "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 1, 101 and 268 respectively.

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. The Company, the BRLM, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend 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 the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II – RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of our Company, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 101 and 268 as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. If anyone or some combination of the following risks were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline.

The risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Risks in Relation to our Business and Internal Risks

1. ***Our Promoter Director and our one of our independent director, Mr. Kishore Biyani are involved in certain criminal proceedings.***

Our Promoter, Mr. Lalitkumar Jain is a party to five criminal proceedings which are pending at various forums. This includes a complaint filed by the Employee's State Insurance Corporation in the year 2004 alleging commission of an offence under section 85(e) of the Employee State Insurance Act, 1948 ("Act") of not submitting the returns of contributions under Regulation 26 (1) (a) of the Employees' State Insurance (General) Regulations, 1950 in relation to Kumar & Co, a partnership firm from which Mr Lalitkumar Jain retired as partner with effect from 1999 and four criminal complaints alleging breach of the provisions of the Maharashtra Ownership Flats Act, 1963 and commission of offences under the Indian Penal Code. One of our Directors, Mr. Kishore Biyani is also a party to nine criminal proceedings. This includes seven complaints under the Prevention of Food Adulteration Act, 1954 for the offences of food adulteration and misbranding, one complaint alleging violation of the provisions of the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981 and a complaint against carrying out business at Food Bazaar, Delhi without a health trade license. These cases are pending before different forums and at various stages of hearing. We cannot assure you that these cases will be disposed off in their favour. In the event that any adverse order is passed in these cases, it will affect the reputation of our Company.

2. ***Our inability to acquire large contiguous parcels of land may affect our future development activities.***

Our township's development and our proposed SEZ are being built on large parcels of land. We have experienced difficulties in the past, in acquiring such large parcels of land for our development purposes. In the future, we may not be able to acquire such large parcels of land at all or on terms that are acceptable to us. This may prohibit us from undertaking development of large projects or may cause delays or force us to abandon or modify the development of such lands, which in turn may result in a failure to realise our investment for acquiring such parcels of land. For example, to undertake the development of townships, as per the existing regulations it is required that the area notified under the special township shall have to be one continuous unbroken and uninterrupted parcel of land and in any case shall not be less than 100 acres at a place, which shall not include the area under notified forest, water bodies like river, creek canal, reservoir, tribal lands, lands falling within the belt of 500 meters from the High Flood Line of major lakes, land falling in the command area of irrigation projects, land falling within the belt of 200 meters from the historical monuments and places of archeological importance, archeological monuments, heritage precincts and places, any restricted areas, notified national parks, existing and proposed industrial zone, gaothan areas or congested areas.

We may therefore be forced to pay premium amounts for acquiring certain parcels of lands which may be critical for us to complete the accumulation of a contiguous parcel of land. Paying premium amounts for land may limit our ability to fund other property developments and may adversely affect our business, financial condition and results of operations. Accordingly, our inability to acquire large contiguous parcels of land may adversely affect our business prospects, financial condition and results of operations. We have also in the past faced problems with other parties who have acquired land parcel where we intend to aggregate lands and have been difficult to convince to sell their lands to us.

For the development of SEZs and townships we are dependant upon private parties or owners of land to acquire lands which we aggregate and then apply for approvals setting up an SEZ or a township. If we are unable to complete the acquisition of land from the land owners in a timely manner or at all, our SEZ development business could be adversely affected and we may not be able to obtain the relevant approval on time. In the past, we have faced certain problems in acquiring contiguous mass of land which is a prerequisite for obtaining a final notification. In the past we have also witnessed land prices escalating and land owners charging premiums where the lands were critical for our continguity.

3. Our inability to identify and acquire land in locations with growth potential affects our business.

Our ability to identify suitable parcels of land for development and subsequent sale forms an integral part of our business. Our strategy includes acquiring and developing land, therefore our ability to identify land in the right location is critical for a property development. Our decision to acquire land involves taking into account the size and location of the land, preferences of potential customers, economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the willingness of landowners to sell the land to us on terms which are favourable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, encumbrances on targeted land, government directives on land use, and obtaining permits and approvals for land acquisition and development. Any failure to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of properties that can be undertaken by us and thereby affect our business prospects, financial condition and results of operations.

4. We are dependent on the performance of, and the conditions affecting, the real estate market in general and specifically in and around Pune, Mumbai, Nagpur, Bengaluru and Hyderabad.

Historically, we focused our real estate development activities in and around the cities of Pune and Mumbai in Maharashtra. Therefore, a majority of our completed projects and those under development are located in and around the state of Maharashtra. As a result, our business, financial condition and results of operations have been and will continue to be heavily dependent on the performance of, and prevailing conditions affecting, the real estate market in Maharashtra and specifically in Pune and Mumbai.

The real estate market in Maharashtra may perform differently from, and be subject to market and regulatory developments different from, real estate markets in other parts of India. We cannot assure you that the demand for our properties in Maharashtra will grow, or will not decrease, in the future. Real estate properties take a substantial amount of time to develop and we could incur losses if we purchase land during periods when land prices are high, and we have to sell or lease our developed properties when land prices are relatively lower. The real estate market in Maharashtra may be affected by various factors beyond our control, including prevailing local economic and political conditions, changes in supply and demand for properties comparable to those we develop, and changes in applicable governmental schemes. These and other factors may negatively contribute to changes in real estate prices, the demand for and valuation of our current and future properties under development, may restrict the availability of land in Maharashtra, and may adversely affect our business, financial condition and results of operations. If property prices fall in Maharashtra, our business, financial condition and results of operations could be materially and adversely affected. Additionally, the Ongoing or Forthcoming in and around these cities are also dependent on the performance of, and prevailing conditions affecting, the real estate market.

5. Our title and development rights over land may be subject to various legal defects.

Our title and development rights over land are subject to various title-related legal defects that we may not be able to fully identify, resolve or assess. While we seek to retain local lawyers to undertake searches in relation to the properties we intend to buy and issue legal opinions confirming our title to lands in connection with our purchase of land from third parties, our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of spouses or other family members of prior owners, or other title defects that we may not be aware of. Such or other title defects may result in our loss of title or development rights over land, and the cancellation of our development plans in respect of such land, negatively impacting our business and financial condition. Our failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part, and may cause us to write off substantial expenditures in respect of a project. Legal disputes arising in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. Under Indian law, a title document generally is not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights. We face various practical difficulties in verifying the title of a prospective seller or lessor of property. Indian law, for example, recognises the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also gives rise upon twelve years occupation to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor.

Furthermore, under Indian law, a married person retains property rights in land alienated by their spouse if such married person has not consented to such alienation, effectively requiring consent by each spouse to all land transfers in order for a transferee to receive good title. In addition, Indian law recognises the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, absent whose consent a land transfer may be challenged by such non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land may be subject to various defects of which we are not aware. Although, we undertake title searches for over 30 years, we cannot assure that such lands are free from defects. We may face claims of third parties to ownership or use of the land after purchasing or obtaining development rights in respect of land, and where disputes can not be resolved through accommodations with such claimants, we may lose our interest in the land. Multiple property registries exist, and verification of title is difficult.

In this regard, prospective investors should note that in connection with the Issue, the legal counsel to the Issuer or the BRLM have not provided any opinions or other assurances in respect of land title.

6. We operate in a highly competitive industry and our competitors may have some advantages over us in the markets where they are well established.

We operate our businesses in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us and in markets in other geographies. The extent of the competition we face in a potential property depends on a number of factors, such as the sector, the size and type of property development, contract value and potential margins, the complexity and location of the property development, the reputations of the customer and us, and the risks relating to revenue generation.

Some of our competitors are larger than us and have greater land reserves or financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth present more credible integrated and/or lower cost solutions than we do. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our operations have historically focused in the cities of Pune and Mumbai. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

There can be no assurance that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Also, in the area of development of SEZs, where we are a new entrant to the market, we may not be able to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications.

7. We may experience difficulties while geographically expanding our business in India.

Historically, we have been focusing on Pune and Mumbai for our business. However, in the past two years, we have acquired land and development rights in various cities and towns outside Pune and Mumbai such as Nagpur, Panvel, Panchgani, Hyderabad and Bengaluru for future property developments. We have limited or no experience in conducting real estate business outside the cities of Pune and Mumbai, thereby exposing us to unknown risks.

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

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

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

8. We have entered into arrangements with various third parties for acquisition of land which may expire or may be invalid and this may lead to our inability to acquire these lands.

As part of our land acquisition process, we enter into purchase agreements or memoranda of understanding with third parties prior to the transfer of interest or conveyance of title of the land. We propose to acquire 509.45 acres or approximately 29.94% of our Land Reserves, pursuant to these agreements. We enter into these agreements after paying certain advance payments to ensure that the sellers of the land satisfy certain conditions within the time frames stipulated under these agreements. There can be no assurance that these sellers will be able to satisfy their conditions within the time frames stipulated or at all. In addition, such sellers may at any time decide not sell us the land identified. We also cannot assure you that the lands as identified will be acquired at competitive prices. In the event that the prices are increased by the land owners, we may not at all be able to acquire these lands.

In the event that we are not able to acquire this land, we may not be able to recover all or part of the advance monies paid by us to these third parties, which amounts to approximately Rs. 470.49 million as of September 25, 2009. Further, Rs. 400.87 million is required to be paid under these agreements. Further, in the event that these agreements are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to the land. Also, any indecisiveness on our part to perform our obligations or any delay in performing our obligations under these agreements, may lead to us being unable to acquire these lands as the agreements may also expire. Any failure to complete the purchases of land, renew these agreements on terms acceptable to us or recover the advance monies from the relevant counterparties could adversely affect our business, financial condition and results of operations.

9. We may not be able to identify or correct any defects or irregularities in title or interest we have to our land or the lands that we plan to develop independently or under joint development agreements or joint venture agreements or under the rights we hold pursuant to a power of attorney.

There may be various legal defects and irregularities to the title on the lands that we own or on which we have development rights, which we may not be able to fully identify, resolve or assess. Prior to acquisition of, or entering into a joint development agreement with respect to any land, we conduct due diligence and assessment exercises on the land. Through an internal assessment process, we analyze information about the land that is available to us. However, there can be no assurance that such information is accurate, complete or current. Our rights in respect of these lands may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that we may not be aware of. For example, we may not be able to assess or identify all the relevant risks and liabilities associated with defects or irregularities of title. Any acquisition or joint development decision made by us in reliance on our assessment of such information, or the assessment of such information by a third party, is subject to risks and potential liabilities arising from the inaccuracy of such information. If such information later proves to be inaccurate, any defects or irregularities of title may result in our loss of title or development rights over land, and the cancellation of our development plans in respect of such land. Furthermore, any failure to obtain good title for a particular plot of land within a larger development may materially prejudice the success of the entire development, and may require us to write off substantial expenditures in respect of a property development. Any inability to identify defects or irregularities of title, and any ability to correct any such defects or irregularities of title, on lands that we plan to develop may have a material and adverse effect on our business, financial condition and results of operations. Any decision of ours to acquire land based on inaccurate, incomplete or dated information may result in risks and liabilities associated with acquiring and owning such parcels of land, being passed onto us.

Legal disputes arising over land title can take several years and considerable expense to resolve if they become the subject of court proceedings, and their outcome can be uncertain. Under Indian law, a title document generally is not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights.

We face various practical difficulties in verifying the title of a prospective seller or lessor of property, or a joint development partner. Multiple property registries exist, and verification of title is difficult. Indian law recognizes the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law, also arises upon 12 years of occupation over valid ownership rights against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. In addition, Indian law recognizes the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, except whose consent a land transfer may be challenged by such non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land may be subject to various defects of which we are not aware. We may face claims of third parties to ownership or use of the land after purchasing or obtaining development rights in respect of land, and where disputes cannot be resolved through accommodations with such claimants, we may lose our interest in the land.

10. We anticipate developing or participating in the development of SEZs, which involve various risks.

As part of our real estate development business, we intend to develop IT/ITES SEZs. Our success in the development of SEZs depends on, among other things, our ability to acquire lands as a contiguous parcel and obtain approvals and attract manufacturing or industrial units or IT units that conduct business within the SEZs, as well as on the continued availability of fiscal incentives under the SEZ regime. We have received final notifications for part of the land measuring 27.11 acres and in-principle approvals for the remaining lands. We further await final notification for all of the lands. 17.50 acres of these lands are also yet to be acquired by the Company. Our Company has further provided an undertaking to the investors dated April 10, 2009 that the remaining 17.50 acres shall be acquired by October 10, 2009. Our Company has agreed that in the event that the remaining land as indicated is not acquired by October 10, 2009, the shares of the investors shall be revalued to that extent proportionally.

We cannot assure you that we will be able to get these approvals or attract manufacturing or industrial or IT units in the future. Also, the possibility of withdrawal of the applicable benefits and concessions in the future may adversely affect the attractiveness of SEZs for the manufacturing, industrial or service units, which creates a risk for our current and planned investment in SEZ properties.

In addition, the SEZ Act has been recently enacted and the GoI and several state governments have extended fiscal and other incentives to SEZ promoters and customers located within SEZs. The SEZ policy framework is evolving and there could be changes in the SEZ regulations, including changes in norms for land acquisitions and associated compensation mechanisms, land use and development. Additionally, the selection procedure for grant of SEZ licenses is open to challenge. Changes and/or uncertainties in the GoI or state government policies or regulatory frameworks may slow down and adversely affect the demand for SEZs and thereby adversely affecting our SEZ development plans.

11. The steady increase in the number of real estate developers entering into the business of developing SEZs has intensified the competition in this area of development.

Owing to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs. Approvals have been granted for setting up of SEZs in and around Hyderabad, Chennai, Pune, Nagpur and Bengaluru. This is likely to result in increased competition in SEZ property development. We may also face competition from SEZs being developed in neighbouring areas as well as from our potential customers who may set up their own SEZs. This increased competition could adversely affect our growth plans based on future SEZ property developments. In the event that there we are not able lease our units in the SEZ we may also de-notify the SEZ and explore other viable options in relation to these lands.

12. A slowdown in India's manufacturing and services sectors or the international IT services sector or economic slow down in general may adversely affect our business

Our expansion into SEZ development may be detrimentally affected by a slowdown in the Indian manufacturing and services sectors or a global slowdown the IT industry as SEZs are primarily intended to cater to the manufacturing, and IT sectors.

13. If we are not able to manage our growth, our business and financial results could be adversely affected.

We are embarking on a growth strategy which involves a substantial expansion and diversification of our current business. In furtherance of this strategy, we have recently acquired or entered into agreements to acquire large areas of land. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and diversify our operations, we may not be able to execute our property developments efficiently, which could result in delays, increased costs and affect the quality of our developments, and may adversely affect our reputation. Such expansion also increases the challenges involved in preserving a uniform culture, set of values and work environment across our properties, developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems; recruiting, training and retaining sufficient skilled management, technical and marketing personnel; maintaining high levels of client satisfaction; and adhering to health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business, financial condition and results of operations.

14. ***As the demand for land increases, it also results in an increase in the competition for, and prices of, land. Further, changes in any of regulations applicable to our business, are likely to have an affect on the price of land.***

As the demand for residential and commercial properties increases, it also results in an increase in competition to acquire land. The unavailability or shortage of suitable land for property development also leads to an escalation in land prices. Additionally, the availability of land, its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities. Such a change in status may impact the price of that parcel of land, as well as the land surrounding it. Any escalation in the price of land could prevent us from acquiring these parcels of land which could materially and adversely affect our business, prospects, financial condition and results of operations.

15. ***We have in the past leased as well as sold our properties. Our strategy of developing and leasing out properties instead of selling them and our dependence on the periodical lease rentals for our returns may reduce our cash flows in the short term.***

We have in the past pursued a strategy of building and selling our real estate properties as well as leasing commercial properties. A decision to lease rather than sell any property would reduce cash flows in the short term and increase the number of periods over which cash would be recovered from such properties. Further, our strategy of leasing out certain properties is also subject to the prevailing real estate scenario, the prevailing rates applicable for rentals, risks arising from the fall of rental rates, recoverability of rent, market price of land and such other factors which may have a bearing on us. Our decision to lease rather than sell any property could thus significantly affect our results of operations and the timing of our cash flows with respect to that property.

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

The real estate development industry is capital intensive and requires significant expenditure for land acquisition and development. As of March 31, 2009, we had outstanding borrowings (including secured and unsecured) of Rs. 4,337.96 million. We were also required to undertake a restructuring of our debts amounting to Rs. 1,430 million which was undertaken owing to downturn in the real estate which affect our sales.

The use of borrowings presents the risk that we may be unable to service interest payments and principal repayments or comply with other requirements of any loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost, and we might be forced to sell some of our assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing. As we intend to pursue a strategy of continued investment in our developmental activities, we will incur additional expenditure in the current and next fiscal years. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. We may also not be successful in obtaining additional funds in a timely manner, or on favourable terms or at all.

Moreover, certain of our loan documents contain provisions that limit our ability to incur any future debt. In addition, the availability of borrowed funds for our business may be greatly reduced, and the lenders may require us to invest increased amounts of funds in a project in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, postpone or abandon some or all of our development projects or reduce capital expenditures and the size of our operations.

17. ***The success of our real estate development business is dependent on our ability to anticipate and respond to consumer requirements, both in terms of the type and location of our properties.***

As customers continue to seek better housing and better amenities as part of their residential needs, we are required to continue to focus on the development of residential accommodation with various amenities. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain clients who are willing and able to pay rent or purchase prices at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. Therefore our ability to anticipate and understand the demands of prospective customers is critical to the success of our real estate development business. We believe that one of our key strengths is our ability to acquire land in new areas and to be able to develop properties in these areas in anticipation of consumer demand and deliver residential and commercial properties there at very competitive margins.

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India’s middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Our inability to provide these customers with their preference or our failure to anticipate and respond to customer needs accordingly will affect our business and prospects. This could also lead to loss of potential customers to our competitors who may offer better facilities.

18. ***The statements contained in this Draft Red Herring Prospectus with regard to our Ongoing and Forthcoming Projects and the Developable and Saleable area are based on management estimates and may be subject to change.***

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

19. ***Industry, statistical and financial data contained herein have not been verified by us independently and therefore, may be incomplete and unreliable.***

The industry, statistical and financial data contained in this document have been obtained from government and industry publications and other sources and we have not independently verified these date. Therefore, we cannot assure you that they are complete or reliable. The discussions of matters relating to India, its economy or our industry are also based on the statistical and other data which have not been verified by us independently and may be incomplete or unreliable.

20. Our developments are subject to various environmental regulations and other applicable legislation and instances of violations or non-compliance could adversely affect our development activities.

We are required to conduct an environmental assessment of our developments before receiving regulatory approval for these properties. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. Further, we are also required to comply with various other local and central regulations during the course of development of our projects. Additionally, if environmental problems are discovered during or after the development of a property, we may incur substantial liabilities relating to clean up and other remedial measures and the value of the relevant properties could be adversely affected. We cannot assure you that we will receive all of the required approvals for our projects.

21. We may not be able to sustain our growth, which may adversely affect our results.

For the year ended March 31, 2009, we generated total income of Rs. 2,391.26 million and profit after tax of Rs. 348.51 million, as compared to total income of Rs. 3,235.48 million and profit after tax of Rs. 676.04 million for the year ended March 31, 2008 and a total income of Rs. 2,350.20 million and profit after tax of Rs. 681.69 million for the year ended March 31, 2007. We may not be able to sustain our growth effectively or to maintain a similar rate of growth in the future due to a variety of reasons including a decline in the demand for quality real estate properties, increased prices or competition, non-availability of raw materials, lack of management availability or due to a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our financial condition and results of operations. Our quarterly and half yearly results may therefore vary and be affected.

22. The availability of financing options to our potential customers is critical to our business.

A large number of our customers, especially buyers of residential properties finance their purchases by raising loans from various banks and other means. The availing of home loans for residential properties has become particularly attractive due to income tax benefits and high disposable income. The availability of home loans may however, be affected if such income tax benefits are withdrawn or the interest rates on such loans continue to increase or there is decrease in the availability of home loans. This may affect the ability of our customers to finance the purchase of their residential properties and may consequently affect the demand for our properties.

23. Our business is heavily dependent on the performance of the real estate market and the availability of real estate financing in India.

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for and valuation of both our Forthcoming Projects and our Ongoing Projects. For example, lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our properties.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and finance companies could reduce the attractiveness of property or developer financing and the RBI or the GoI may take further measures designed to reduce or having the effect of reducing credit to the real estate sector. In the event of any change in fiscal, monetary or other policy of the GoI and a consequent withdrawal of income tax benefits, our business and results of operations may be adversely affected.

24. There have in the past been unscheduled delays and cost overruns in relation to our completed projects.

There have been delays in the past owing to which we have not been able to meet our timelines for the handover and delay of some of our completed projects. These delays will also result in a loss of reputation among our customers who may not prefer our offerings in the future. We cannot assure you that we will be able to complete our properties on time in the future and within the stipulated budget and time schedule. As we would incur the cost of delays or overruns, this could adversely affect our results of operations and financial condition.

25. We depend on our Promoters, our senior management, directors and key personnel for a large part of our success.

One of our individual Promoter, Mr. Lalitkumar Jain, our directors and our key management personnel collectively have many years of experience in the real estate industry and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will continue to retain any or all of the key members of our management. The loss of the services of any key member of our management team could have an adverse effect on our business and the results of our operations.

Further, our ability to maintain our position in the real estate development sector depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.

26. We have not entered into any definitive agreements to utilize the net proceeds of the Issue and the requirement of funds has not been appraised.

We intend to use the net proceeds of the Issue for the purposes described in the section titled "Objects of the Issue" on page 60. The Objects of the Issue have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our management estimates for the projects may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project expenditure and may have an adverse impact on our business, financial condition and results of operations.

We have not entered into any definitive agreements to utilize the net proceeds of the Issue. The deployment of funds as stated in the section titled "Objects of the Issue" on page 60 is entirely at the discretion of our Board. All the figures included under the section titled "Objects of the Issue" are based on our own estimates. Pending utilization of the proceeds of this Issue for the purposes described in this Draft Red Herring Prospectus, we intend to invest the proceeds of the Issue in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, for the necessary duration, or for reducing overdrafts. Such investments would be made in accordance with investment policies or investment limits approved by our Board of Directors from time to time.

27. We receive certain tax benefits under the provisions of the Income Tax Act, which if withdrawn, may adversely affect our financial condition and results of operations.

Our business enjoys various tax benefits under the Income Tax Act, and is also expected to benefit from SEZ related tax benefits. The provisions of section 80-IB of the Income Tax Act provided for 100% deduction of the profits derived from development and building of housing projects approved before March 31, 2008, by a local authority, provided that certain specified conditions are met including the requirement that the area of each dwelling unit is not more than 1,000 sq. ft. of built up area within the radius of 25 kilometres of the municipal limits of metropolitan cities of New Delhi and Mumbai and 1,500 sq. ft. of built up area in the rest of India. For all the projects, for which approvals have not been obtained prior to March 31, 2008, the benefits under section 80-IB of the Income Tax Act, are not available. As a result, we cannot derive any benefit under section 80-IB of the Income Tax Act for a number of our Projects. In the event that similar benefits are no longer available to us due to any change in law or a change in the nature of our property developments, the effective tax rates payable by us will increase and consequently our financial condition may be adversely affected.

28. We are subject to restrictive covenants in certain debt facilities provided to us.

We are subject to certain restrictive covenants in relation to the secured loans borrowed by us. There are certain restrictive covenants in the arrangements entered into with certain banks which include, among other things, to maintain in favour of the bank a margin between the value of mortgaged property and the balance due to the bank, as the bank may stipulate from time to time, and to keep the mortgaged properties insured for full market value against certain risks. Further, the loan agreements provide that we cannot create any further charge/ encumbrance over the mortgaged property and that it may not part with the hypothecated property or any part thereof without the prior written consent of the lending bank. Furthermore, our arrangements with such bank permit it to withdraw or recall the said loans or debit the installments/ interest payable from any of the Company's accounts maintained with the bank at its sole absolute discretion without any further reference to the Company or impose an overdue interest at the specified rate in the event of any default or vary the interest rates, periodicity of rests without giving prior notice to the Company. These restrictive covenants may affect some of the rights of our shareholders, including receiving dividends.

Any additional financing that we require to fund our capital expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions; limit our ability to pursue our growth plans; require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes; and limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

29. Our Promoters have provided a call option to Reliance Capital Limited, who have the right to exercise the same against him.

Our Company and our Promoters have entered into in a Supplemental Agreement with Reliance Capital Limited pursuant to which our Promoters have agreed to buy-back the shares held by them at any time on or after completion of 365 days from the date of this Agreement at the price yielding annualized IRR of 36% per annum on the investment amount of Rs. 1,000 million. The agreement shall remain valid till as long as Reliance Capital Limited holds equity shares in our Company. In the event that Reliance Capital Limited, exercise this right against out Promoters this may severaly affect their reputation and cause financial losses.

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

Of the activities undertaken by the Company, the 'Percentage Completion Method' of accounting is followed for revenue recognition from its construction activity. Under this method, revenue is recognized against percentage of the actual project cost incurred against the total estimated cost of the project. Revenue is recognized only if the actual cost incurred on the date of the financial statements is at least 25% of the total cost of the project as estimated by the management.

Although this method of accounting is widely used in the industry, the company cannot assure you that these estimates will match the actual costs incurred with respect to the projects. The effect of such changes to estimates, is recognized in the financial statements of the period in which such changes are determined.

Therefore, the Company's revenue recognition is based on the total cost of such projects that qualify for such revenue recognition, that are under execution during a period. This may lead to significant fluctuations in the Company's revenues between accounting periods. Till, amounts received from customers are not recognized under the method described above, they accounted for as advances from customers as part of the current liabilities. Currently, the Company follows accounting standards prescribed under applicable laws. In the event of any change in law or Indian GAAP, which requires a change in the method of revenue recognition, the financial results of our operations may be adversely affected.

31. Our individual Promoter, Mr. Lalitkumar Jain has given personal guarantees in relation to certain debt facilities provided to us, our group companies and our subsidiaries.

Our individual Promoter, Mr. Lalitkumar Jain has given personal guarantees in relation to certain debt facilities provided to us aggregating Rs. 3,952.29 million as of March 31, 2009. In the event that any of our Promoters withdraws or terminates their guarantees, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

32. Our Company has also given corporate guarantees in relation to certain debt facilities provided to our subsidiaries and other development entities.

Our Company has given corporate guarantees in relation to certain debt facilities provided to our subsidiaries and other development entities aggregating Rs. 2,859.97 million as of March 31, 2009. In the event that these guarantees are invoked, the lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities and as a result our financial condition and cash flows maybe affected.

33. Our subsidiary, Riverview Properties Private Limited has entered into certain agreements and our Company and our individual Promoter, Mr. Lalitkumar Jain are subject to certain obligations pursuant to these agreements in the capacity as the promoter.

Our subsidiary, Riverview Properties Private Limited ("**RVPPL**") has entered into a debenture subscription and share subscription cum shareholder agreement dated June 16, 2009 with ICICI Prudential Asset Management Company Limited for financing our township project in Mahalunge, Pune. Our Company has been disclosed as a promoter of RVPPL and we have given various undertakings which are binding on us and a breach of the same would be considered an event of default under such agreements. Upon occurrence of an event of default, the investor has the right to sell the property reserved for the project or the development rights in relation to such property at such price and subject to such terms and conditions as the investor may deem appropriate to the extent of recovering their investment. The undertakings given by our Company, as the promoter, include those in relation to the execution of the project like execution of the project in different phases subject to us obtaining the consent of the investor for each phase; submission of layout plans within stipulated time periods; construction of a minimum built-up area as specified in the investment agreements; obtaining various approvals within the specified time period; ensuring that there are no cost overruns; procuring the company to finalize the business plan in accordance with the agreement and using of the proceeds from the subscription strictly in accordance with such business plan. Further, in the event there is a shortfall in the funds required for the project, our Company, as the promoter, have to ensure that we infuse the funds into the company by way of debt or unsecured loans or in any other manner acceptable to the investor and in the event we fail to meet such shortfall in capital by way of infusing non-secured shareholders' loan, it would become an event of default under the agreement. In addition, we are also required to closely monitor the execution of the project at every level. The investors also have a put option to protect their interest in the Company. Further, the shares held by our individual Promoter Mr. Lalitkumar Jain and our Company in RVPPL cannot be transferred except in the manner as specified in the investment agreements. The investment agreements restrict us from undertaking a similar product mix within a radius of 3.00 kilometre of the project financed by the investor. Further, additional representations include specific approval by the director of the investor at a meeting of the board of directors of RVPPL undertake the sale of a residential apartments at a price less than Rs. 2500/- (Rupees Two Thousand Five Hundred Only) per square feet.

Under the investment agreements, it has been agreed that our Company and Mr. Lalitkumar Jain are jointly and severally liable for their obligations therein and the investor could seek recourse to the Company and Mr. Lalitkumar Jain jointly and severally.

34. The investment by our Company and our individual Promoter Mr. Lalitkumar Jain in our subsidiary; Kumar Builders Township Ventures Private Limited is subject to restrictions.

Our Company, one of our Promoters, Mr. Lalitkumar Jain, LSO SUBCO No. 4 Company and LREF SUBCO No. 4 and Kumar Builders Township Ventures Private Limited ("**KBTVPL**") have entered into a share purchase/subscription agreement and a shareholder`s agreement both dated May 29, 2008 pursuant to which our Company and Mr. Lalitkumar Jain have provided certain representations to the investors in the company wherein among others; they have undertaken not to sell/lease the project financed by the investors or any units thereof unless otherwise than in the manner as provided for in the business plan; not make alternations to the business plan. In addition, KBTVPL, our Company and our individual Promoter Mr. Lalitkumar Jain have jointly undertaken that in the event that the agreed FSI of ten million is not achieved by KBTVPL; KBTVPL and our Promoter Mr. Lalitkumar Jain shall jointly and severally compensate the investors for the loss caused on account of the same. Our Company has further provided an undertaking dated April 10, 2009 to the investors that as they were only able to acquire 106 acres of the land as agreed, the remaining area of 17.50 acres shall be acquired by October 10, 2009. Our Company has agreed that in the event that the remaining land as indicated is not acquired by October 10, 2009 the shares of the investors shall be revalued. As on date, 115.61 acres of land have been acquired by our Company.

35. Certain of the shares of our Company held by Promoter Mr. Lalitkumar Jain, have been pledged.

Pursuant to the terms of the debenture subscription agreement between ICICI Prudential Asset Management Company Limited, our Company, Mr. Lalitkumar Jain and RVPPL, Mr. Lalitkumar Jain has also pledged certain shares held by him in our Company constituting 3.25% of the Issued and paid up equity share capital of our Company in favour of the investor for securing the 'put option' obligations'. If any event of default occurs, which include the failure by Mr. Lalitkumar Jain and/or RVPPL to fulfill their put option obligations, the investors shall have the right to enforce all or any part of the security created by the pledge of shares and take possession of or dispose of all or any of the shares pledged or the beneficial interest therein.

36. Other ventures promoted by our Promoters are engaged in a similar line of business as us, and as a result there may be a conflict of interest.

One of our promoter group companies is engaged in a similar line of business as us, including development and construction of residential projects. We cannot assure you that our Promoters will not favour the interests of this or other Promoter Group companies over our interests. For details refer to section titled "Our Promoters" on page 165.

37. We had negative cash flows in the past, which if occurs in future could adversely affect our financial standing.

We have incurred negative cash flow in the past and cannot assure that such negative cash flows will not occur again in the future. Details of cash flows for the preceding three years:

	For the Fiscal		
	2009 (Rs. in million)	2008 (Rs. in million)	2007 (Rs. in million)
Cash from/(used in) operating activities	1,038.95	(544.37)	(2,780.22)
Cash from/(used in) investing activities	424.33	(1,365.34)	45.23
Cash from/(used in) financing activities	(1,325.74)	1,834.12	2,964.74
Cash and cash equivalents at beginning of year	161.15	236.74	6.99
Cash and cash equivalents at end of year/period	298.69	161.15	236.74

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

We enter into agreements with third party construction companies to construct our properties in accordance with our specifications and quality standards and under the time frames provided by us. If such contractors are unable to complete our developments within the specifications, quality standards or time frames specified by us, or at all, our business, reputation and results of operations could be adversely affected. We also commit to providing building materials manufactured by reputed companies. In case of any event beyond our control including strikes, natural calamities, acts of God, political instability and market fluctuations, we may not be able to perform our obligations towards our customers. In addition, we generally provide warranties for a period of 12 months for construction defects and may be held liable for such defects. Even though our contractors provide us with back-to-back warranties, such warranties may not be sufficient to cover our losses, or our contractors could claim defenses not available to us against our customers, which could adversely affect our reputation, financial condition and results of operations.

The amount of real estate development in India has been significant in the recent past. As a result, our contractors and other construction companies, have had significant projects to complete and a substantial backlog. If the services of these or other contractors do not continue to be available on terms acceptable to us or at all, our business and results of operations would likely be adversely affected. Additionally, our operations may be affected by circumstances beyond our control such as work stoppages, labour disputes, shortage of qualified skilled labour or lack of availability of adequate infrastructure.

39. Significant increases in prices or shortages of building materials could harm our results of operations.

A significant challenge that any real estate developer faces is dealing with adverse movements in the cost of building materials. The real estate sector is dependent on a number of components such as cement, steel, bricks, wood, sand, gravel and paints. As the revenues from sale of units are predetermined, adverse changes in the price of any raw material would directly affect the profitability of the developers.

40. Our ability to obtain suitable development sites and generate revenue from the slum rehabilitation projects could be adversely affected by any changes to the slum rehabilitation schemes as currently applicable in Pune.

As of September 25, 2009, we are undertaking 1 slum rehabilitation project covering approximately 6.2 million sq. ft. of Developable Area in Pune. Our slum rehabilitation projects in Pune are governed by the Special Regulations for Pune and Pimpri Chinchwad Slum Rehabilitation Authority (“Special Regulations for Slum Rehabilitation”) which are applicable to all areas notified as “slums” by the competent authority under the Maharashtra Slum Area (Improvement, Clearance and Redevelopment) Act, 1971. The slum rehabilitation projects are carried out in accordance to the Slum Redevelopment Scheme (“SRS”) approved by the SRA Committee appointed under the Slum Act, 1971, for Pune and Pimpri Chinchwad. Under the Special Regulations for Slum Rehabilitation, the total sanctioned FSI that can be utilized on any slum site is up to 3.00 and the difference between the sanctioned FSI and the maximum permissible FSI on a particular slum site, if any, will be made available in the form of transferable development rights ("TDRs") to the developer.

In addition, in our redevelopment projects we are required to provide accommodation to the existing tenaments; provide corpus to the society; rental allowances to the members of the society on whose behalf we undertake the developments in addition to undertaking that the development will be completed on time. We cannot assure you that we will complete our developments on time or recover our cost by selling the saleable component that accrues to us. We may not be able to recover our monies in case we are not successful in winning the bid for the redevelopment project and will loose the earnest money deposit. We have not lost any money in the past towards earnest money deposit.

Our ability to undertake suitable development sites for our slum rehabilitation projects in the Pune Region in the future, and our cost to acquire land development rights over such sites or other sites, could be adversely affected by any changes to the Slum Rehabilitation Scheme, the DCR, the Town Planning Act or any changes in their interpretation or implementation. If the slum rehabilitation schemes in effect in the Pune Region were to significantly change or be terminated, we may be required to purchase developable land from third parties at significantly increased cost and we may not be able to acquire land development rights over sufficiently suitable land at an acceptable cost for our future development projects. In order to execute our slum rehabilitation projects, we also must apply for and obtain timely approvals from the relevant authorities. We must construct the rehabilitated buildings according to the conditions set forth under the slum rehabilitation schemes. We cannot assure you that we will be able to effectively complete projects under the SRA scheme, which may adversely impact the business and financial condition of the Company. We have in the past not been successful in undertaking a slum rehabilitation project.

Our ability to obtain suitable building sites for our projects in Pune in the future, and our cost to acquire development rights over such sites, could be adversely affected by any changes to law governing slum rehabilitation or any changes in their interpretation or implementation. If the slum rehabilitation schemes in effect in Pune were to significantly change or be terminated, we may be required to purchase developable land from third parties at significantly increased cost, and may not be able to acquire development rights over sufficient suitable land at acceptable cost for our future development projects.

41. Our failure to honor our obligations under the re-development agreements may bring huge financial liabilities upon us in the form of penalties and forfeiture of amounts already paid by us

We are currently undertaking 4 re-development projects in Mumbai. Under the redevelopment agreements entered into by us with various housing societies, we have paid huge amounts of refundable advance compensation. We have also agreed to pay monthly rent to the members of the housing societies as compensation in lieu of temporary alternate accommodation from the time of their handing over of the vacant possession of their units to us until the handing over of the newly built units to them. In this regard, we have made commitments as to the maximum time within which we are required to hand over the completed units and in the event we fail to meet such commitments we shall be required to pay enhanced monthly rent during such delay. Further, in case we fail to put the society in possession of the newly constructed housing units within the time period stipulated in the agreements, we may also be liable to pay penalty from the date of expiry of the said period till the date of obtaining occupation certificates form the municipal authorities. Further, the security deposit made by us may be liable to be forfeited in the event that we fail to honor our commitments/obligations under the re-development agreements and any delay wouold cause the cost of rentals to increase. We are also required to provide a bank guarantee for the completion of the project in accordance with the re-development agreement and in the event we do not complete the project within the time period stipulated under the agreement, the housing society would be entitled to terminate the agreement and invoke the bank guarantee and all the amounts paid by us under the agreement shall stand forfeited.

We have also agreed to allot to the members of the housing societies, units of specified area in the newly constructed buildings and this is irrespective of the final FSI that may be available for the project in accordance with the DC Rules, 1991. Act and if the law in this regard is amended/altered, our returns will also be affected as a result.

42. ***We have in the past acquired lands or interests in the lands from our Subsidiaries and Other Development Entities, in which some of our directors are also directors.***

We may acquire lands from various entities during the course of our business which include entities where our Promoters may be a shareholder or interested in. See "Related Party Transactions" on page 178.

43. ***Our revenues could be adversely affected by changes in the TDR regime in Mumbai and Pune.***

With respect to our re-development projects in Mumbai and our slum rehabilitation projects in Pune, we are subject to municipal planning and land use regulations as may be applicable, which limit the maximum square footage of completed building we may construct on lots to specified amounts, calculated as a ratio to the land superfice of each lot. TDRs permit developers to use development rights generated elsewhere in the event that the applicable planning and land use regulations for a particular plot do not allow full utilization of the generated development rights. In place of development rights over cleared former slum lands, we are expected to receive TDRs as compensation for our developing permanent housing for slum dwellers. The market price of TDR is not certain and is always fluctuating.

44. ***We undertake many of our projects in cooperation with joint venture partners, who may not perform their obligations satisfactorily and whose interests may differ from ours.***

Our joint ventures depend upon the fulfillment of the obligations of our joint venture partners, such as for the provision of land or additional financing. Although our joint development agreements and joint venture and other agreements and documents may legally obligate the other parties to provide the relevant services, we cannot assure you that they will in fact provide such services, on a timely basis or at all, which could adversely affect our as well as our joint ventures' business and results of operations. In some cases, as per the terms of the agreements with our partners, we along with our partners undertake to provide additional funding into such entities. We cannot assure you that our partners will provide these additional fundings at the appropriate time and in the manner specified in such agreements. In addition, though our joint ventures and joint development agreements confer rights on us to construct, develop, market and sell the developed properties, our joint venture partners have certain decision-making rights. These rights may limit our flexibility to make decisions relating to such projects, and may cause delays or losses. In some of these properties, the title to the land may be owned by one or more of such third parties, and as such, in such instances, we cannot assure you that the persons with whom we enter into joint ventures or collaboration agreements have clear title to such lands. Title may be rendered defective, thus limiting our scope for development.

While we conduct due diligence and assessment exercises prior to acquiring land or entering into joint development agreements with land owners and undertaking a property development, we may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. As a result, most of these lands do not have guaranteed title and title has not been independently verified. The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, with whom we enter into development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land the potential to develop such lands. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, lands for which we or entities which have granted us development rights, have entered into agreements to acquire but have not yet acquired form a significant part of our growth strategy and the failure to obtain good title to these lands could adversely impact our property valuations and prospects.

We rely upon the products and services of a number of third-party suppliers and sub-contractors in the construction of our projects. We do not have capabilities to assess titles of land and do not directly employ construction labor, but seek such services from third parties. Suppliers and sub-contractors also provide us with raw materials and equipment. We have limited control over the cost, availability or quality of their products or services, and as such the inability or unwillingness of such suppliers and sub-contractors to provide their products and services to us, including on a timely and cost-efficient basis, may adversely affect our business and results of operations.

45. We are required to pay security deposits and comply with certain obligations in relation to our joint ventures or joint development agreements.

We are often required to pay substantial advance payments as security deposits to the land-owners in connection with the development of our Ongoing and Forthcoming projects. As of September 25, 2009, we paid an aggregate of Rs. 1085.94 million as advances in relation to our Land Reserves. Our joint ventures and joint development agreements generally require us to obtain consents and approvals in a timely manner from the regulatory authorities to develop our projects. Further, we are required to obtain the approvals for the usage of land; undertake key aspects like designing and planning; complete the construction of our projects within specified periods of time. Under our joint venture and joint development agreements, we also indemnify our joint venture partners or land-owners in connection with the development of our projects.

We cannot assure you that we will be able to obtain all necessary consents and approvals or develop our projects in a timely manner and, therefore we may not be able to recover the deposits paid by us or may be required to indemnify the land-owners. This could adversely affect our business and business prospects, financial condition and results of operations. In addition, even if we comply with all terms and conditions of our joint ventures or joint development agreements, our joint venture or joint development partners may decide to violate the terms of or terminate our agreements with them, which could adversely affect our business and results of operations.

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

We may be involved from time to time in disputes with various parties involved in the development and sale of our properties, such as slum dwellers, housing societies, contractors, sub-contractors, suppliers, constructors, joint venture partners, occupants and claimants of title over land, and governmental authorities. These disputes may result in legal and/or administrative proceedings, and may cause us to suffer litigation costs and project delays. We may, for example, have disagreements over the application of law with regulatory bodies or third parties in the ordinary course of our business, which may subject us to administrative proceedings and unfavourable decisions, resulting in financial losses and the delay of commencement or completion of our projects.

47. Details in relation to the brothers of our Promoter, Mr. Lalitkumar Jain are not available.

The details in relation to the brothers of our Promoter, Mr. Lalitkumar Jain are unavailable. Pursaunt to a family separation between the four brothers Mr. Vimalkumar Jain, Mr. KewalKumar Jain, Late Mr. InderKumar Jain and our Promoter, Mr. Lalitkumar Jain the business operations of Mr. Vimalkumar Jain, Mr. KewalKumar Jain, Late Mr. InderKumar Jain were to be carried on separately from our Promoter.. Currently, Mr. Vimalkumar Jain and Mr. KewalKumar Jain are not associated with our Company in any manner whatsoever

48. Our logo is shared by all the brothers of the Kumar Builders group.

Though the historical business of Kumar Builders has been separated by way of a business separation between the four brothers Mr. Vimalkumar Jain, Mr. KewalKumar Jain, Late Mr. InderKumar Jain and Mr. Lalitkumar Jain, the logo "**K**" is still used by the businesses of all four brothers. The brothers of our Promoter own independent business and although they are in the same line of business, the"**K**" logo is used by all of us. Of the above, Mr. Vimalkumar Jain and Mr. Kewalkumar Jain, are also engaged in the similar line of real estate construction and development business. Therefore, any damage to or loss of goodwill to those businesses may adversely affect the revenues and profitability of our Company due to the common usage of our registered trademark logo. Our Company has entered into a leave and license agreement, in realtion to use the premises

49. The use of the tradename "Kumar Builders" by our Subsidiaries may affect the reputation of our business.

We have historically been carrying on business under the "*Kumar Builders*" logo. We have entered into a trademark license agreement dated January 15, 2009 with one of our subsidiaries, RVPPL. Our Promoter is the registered owners and users of the tradename "Kumar Builders" and hold full rights, title, interest in the tradename. The Company and our Promoter have allowed RVPPL to use the tradename at an annual royalty fee of 0.25% of annual turnover of the licensee vide this tradename license agreement. Further, we have entered into a trademark license agreement dated July 26, 2008 with another Subsidiary, KBTVPL where the Company and our Promoter are the registered owners and users of the tradename "Kumar Builders" and hold full rights, title, interest in the tradename. The Company and our Promoter have allowed KBTVPL to use the tradename at an annual royalty fee of 0.25% of annual turnover of the licensee vide this tradename license agreement. Therefore, any damage to the reputation and performance of the business of our Subsidiaries shall adversely affect the performance and goodwill of our business.

50. The use of the tradename "Kumar Properties" and the use of the logo "K" by the brothers of our Promoter may affect the reputation of our business.

The brothers of our Promoter namely Mr. Vimalkumar Jain, Mr. Kewalkumar Jain and Late Mr. Inderkumar Jain are the registered owners of the tradename "Kumar Properties". This tradename is substantially similar to the tradename registered in the name of our Promoter. Furthermore, the brothers use the same "K" logo identical to the in the name of our Promoter. Therefore, any damage to the reputation and performance of the business of the brothers of our Promoter shall adversely affect the performance and goodwill of our business.

51. Certain portions of our Land Reserves are subject to litigation.

There are several cases against the Company, subsidiaries and our Other Development Entities with respect to the lands we hold. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour. Further, we may also not be able to quantify all the claims in which we or any of our group companies are involved. Any adverse decision may have a significant effect on our Land Reserves, business, prospects, financial condition and results of operations and we may have to relinquish our interest in relation to such lands. For details see the section on "Outstanding litigation and material developments" on page 293.

52. The total area of land registered in the name of the Company is less than 25% of our total Land Reserves

The total area of land registered in the name of the Company is 42.36 acres which constitutes 2.49% of our total Land Reserves.

53. Given the long lead time of the real estate development projects we undertake, we face various kinds of implementation risks.

The real estate development projects we undertake are by their nature, long term and accordingly our exposure to a variety of implementation risks, including regulatory delays, construction delays, material shortages, unanticipated cost increases, cost overruns, inability to satisfactorily conduct business with our partner and tensions with our joint venture partners, is enhanced. While we believe we have successfully managed the implementation risks we have faced in the past, there can be no assurance that we will be able to continue to effectively manage any future implementation risks, which may or may not be of a nature familiar to us. Our future results of operations may be materially and adversely affected if we are unable to effectively manage the implementation risks we may face in the future.

54. We require certain approvals or licences in the ordinary course of business, and the failure to obtain them in a timely manner or at all, may adversely affect our operations.

Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which govern various aspects, including requirement of transaction document, payment of stamp duty, registration of property documents, purchase of property for benefits of others and limitation on land acquisition by an individual entity. Some of these approvals are required to be obtained before and after the commencement of construction in relation to the project. Some of our approvals for our projects may have expired and our inability to renew or be granted revised approvals will affect our business operations. We are subject to extensive local, state and central laws and regulations that govern the acquisition, construction and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal. In addition, we and our subcontractors are subject to laws and regulations relating to, among other things, environmental approvals in respect of the project, minimum wages, working hours, health and safety of labourers and requirements of registration for contract labour.

55. We rely on contract labour for the performance of many of our operations

If the contractor through which we engage contract labour is not registered under the Contract Labour (Regulation and Abolition) Act, 1970, or does not pay wages or provide amenities such as rest rooms and canteen as stipulated by the Contract Labour (Regulation and Abolition) Act, 1970, we as a principal will be liable to provide these amenities and wages to the contract labour.

Further, on an application made by the contract labourers, the appropriate court/tribunal may direct that the contract labourers are required to be regularised or absorbed, and/or that the Company pay certain contributions in this regard.

56. Our operations and the work force on the property sites are exposed to various hazards.

We conduct various site studies prior to the acquisition of any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions such as storms, outbreaks of disease, hurricanes, lightning, floods, landslides, rockslides and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing or hiring sub-contractors for architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. If any one of these hazards or other hazards were to impact our business, our results of operations may be adversely affected.

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

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

58. If our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected.

59. We have entered into, and will continue to enter into, related party transactions.

The Company has in the course of its business entered into transactions with related parties that include its Promoters and companies forming part of its promoter group. The Company has also acquired selected assets and liabilities from certain of its group companies. For more information regarding the Company's related party transactions, see "Related Party Transactions" on page 178. Further, the Company cannot assure you that it will not enter into transactions with such related parties in the future. We have in the past received show cause notice in relation to one such transaction.

60. If our contingent liabilities materialise, our financial condition and results of operations could be adversely affected.

Our contingent liabilities as of the fiscal year March 31, 2009 is provided below:

Sl. No.	Particulars	Amount (in Rs. Million)
1.	Income tax demand not acknowledged as debt (including interest up to the date of demand)	58.54
2.	Guarantees and counter guarantees issued by us on behalf of other companies and firms	2,836.97
3.	In respect of service tax matters	5.08
	TOTAL	**2,900.60**

61. Our Company, our Directors and Group Companies are parties to various legal proceedings.

Outstanding Litigations involving our Company

Sl. No.	Type of litigation	No. of cases	Amount (in Rs. Million)
1.	Civil cases filed by our Company	2	11
2.	Civil cases filed against our Company	9	-
3.	Criminal cases filed by our Company	-	-
4.	Criminal cases filed against our Company	-	-
5.	Tax related matters	1	-
	TOTAL	**12**	**11**

Outstanding Litigations involving our Directors

Sl. No.	Type of litigation	No. of cases	Amount (in Rs. Million)
1.	Civil cases filed by Directors	5	2.5
2.	Civil cases filed against Directors	22	-
3.	Consumer complaints against Directors	2	-
4.	Criminal cases filed by Directors	1	-
5.	Criminal cases filed against Directors	17	-

6.	Tax related matters	1	-
	TOTAL	**48**	**2.5**

<u>Outstanding Litigations involving our Group Companies</u>

Sl. No.	Type of litigation	No. of cases	Amount (in Rs. Million)
1.	Civil cases filed by Group Companies	3	-
2.	Civil cases filed against our Company	8	-
3.	Criminal cases filed by	-	-
4.	Criminal cases filed against	1	-
5.	Tax related matters	-	-
	TOTAL	**12**	-

In addition to the above, one show cause notice has been issued to one of our Group Companies in relation to a tax litigation.

For details see the section on "Outstanding litigation and material developments" on page 293.

62. The Subsidiaries and our Other Development Entities is party to various legal proceedings.

<u>Outstanding Litigations involving our Subsidiaries</u>

Sl. No.	Type of litigation	No. of cases	Amount (in Rs. Million)
1.	Civil cases filed by our Subsidiaries	19	0.08
2.	Civil cases filed against our Subsidiaries	28	1.60
3.	Consumer complaints against our Subsidiaries	17	-
4.	Criminal cases filed by our Subsidiaries	1	-
5.	Criminal cases filed against our Subsidiaries	3	-
6.	Tax related matters	8	-
	TOTAL	**76**	**1.68**

<u>Outstanding Litigations involving our Other Development Entities</u>

Sl. No.	Type of litigation	No. of cases	Amount (in Rs. Million)
1.	Civil cases filed by our Other Development Entities	3	0.08
2.	Civil cases filed against our Other Development Entities	18	1.60
3.	Consumer complaints against our Other Development Entities	1	-
4.	Criminal cases filed by our Other Development Entities	1	-
5.	Criminal cases filed against our Other Development Entities	-	-
6.	Tax related matters	6	-
	TOTAL	**29**	**1.68**

In addition to the above, our Other Development Entities have received two show cause notices with regard to tax litigations and one show cause notice from the Pune Cantonment Board.

For details see the section on "Outstanding litigation and material developments" on page 293.

63. Our individual Promoter is a party to various legal proceedings.

A total of 19 cases have been filed against our Promoter, Mr. Lalitkumar Jain.
A total of 6 cases have been filed by the Promoter, Mr. Lalitkumar Jain involving Rs. 2.5 million.
A total of 1 tax claims and proceedings have been initiated against our Promoter, Mr. Lalitkumar Jain.

For details see the section on "Outstanding litigation and material developments" on page 293.

64. Certain group companies have incurred losses in recent years.

The following Group Companies have incurred losses in the past:

(in rupees millions)

	Profit/(Loss) after Tax		
Name of the Company	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
L.K. Urban Development Private Limited	(0.01)	-	-
Kumar Horticulture Private Limited	(0.34)	(0.25)	(0.19)
Sukumar Machines and Constructions Private Limited	(0.30)	0.96	(1.64)
Orange City Infrastructure Development Private Limited	(0.01)	-	-
Pune Rehabilitation Projects Private Limite	(0.05)	(0.06)	-
Pune Urban Estates Private Limited	(1.38)	(0.63)	(0.01)
Sublime Infrastructure Private Limited	(0.35)	-	(0.01)

See "Group Companies" on page 169.

65. Certain unsecured borrowings taken by our Company, our Promoters, Other Development Entities and group companies may be recalled by the lenders at any time.

Our Company, our Promoters, Other Development Entities and group companies have taken unsecured loans amounting to Rs. 469.40 million and these loans may be recalled at any time. In such event, we may have to raise large amounts of money to repay the same. This may subject us to great difficulties and would require arranging the funds for repayment on a short notice.

Risks relating to India, investment in Equity Shares and other External Risks

1. Our revenues and profits are difficult to predict and can vary significantly from period to period, which could cause the price of our Equity Shares to fluctuate.

Sales revenues are dependent on various factors such as the size of our developments and the extent to which they qualify for percentage of completion treatment under our revenue recognition policies and general market conditions. In addition, the anticipated completion dates for our projects, including those set forth in this Draft Red Herring Prospectus, are estimates based on current expectations and could change significantly, thereby affecting our timing of sales. The combination of these factors may result in significant variations in our revenues and profits. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance. If in the future our results of operations are below market expectations, the price of our Equity Shares could decline.

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

According to a report released by RBI, India's foreign exchange reserves totalled over $25.67 billion as of March 31, 2009 and rose to $277.65 billion at September 04, 2009 according to the RBI Bulletin weekly statistical supplement. Any future declines in foreign exchange reserves could adversely impact the valuation of the rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance and the market price of the Equity Shares.

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

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

Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

4. We are subject to fluctuations in the market value of real estate that we develop.

The Company's business is heavily dependent on the performance of the real estate market in India, particularly in the regions in which the Company operates, and could be adversely affected if market conditions deteriorate. Real estate projects take a substantial amount of time to develop, and given that the real estate market both for land and developed properties is relatively illiquid, there may be high transaction costs as well as little or insufficient demand for land or developed properties at the expected sale price, as the case may be, which may limit the Company's ability to respond promptly to market events. We are subject to adverse fluctuations in the market value of the land due to the inherent nature of our business and also due to the stock of land we are developing for future projects. We may be adversely affected if market rates deteriorate between the time of our purchase, commencement of construction and the development and the sale of our projects or if we purchase land or construct projects at higher prices during stronger economic periods and the value of the land or the constructed projects subsequently decline during weaker economic periods. In such times we may also be unable to dispose of land previously acquired by us to reduce losses. Any adverse increase may also affect our ability to purchase real estate.

These factors can negatively affect the demand for and pricing of the developed and undeveloped land and constructed inventories and, as a result, could materially and adversely affect our business, prospects, financial condition and results of operations.

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

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

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

6. The occurrence of natural or man-made disasters could adversely affect the results of our operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

(i) Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates.

(ii) A natural or man-made disaster could result in losses in our investment portfolio, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

7. Our business is subject to extensive statutory or governmental regulations.

Acquisition of land and development rights in relation to immovable properties are governed by certain statutory and governmental regulations, which govern various aspects, including requirement of transaction document, payment of stamp duty, registration of property documents, purchase of property for benefits of others and limitation on land acquisition by an individual entity. Some of these approvals are required to be obtained before and after the commencement of construction in relation to the project. We are subject to extensive local, state and central laws and regulations that govern the acquisition, construction and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal. In addition, we and our subcontractors are subject to laws and regulations relating to, among other things, environmental approvals in respect of the project, minimum wages, working hours, health and safety of labourers and requirements of registration for contract labour.

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

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

8. Property litigation is common in India and time consuming.

Property litigation particularly litigation with respect to land ownership is common (including public interest litigation) and is generally time consuming and involves considerable costs. If any property in which we have invested in is subject to any litigation or is subjected to any litigation in the future, it could delay a development project and/or have an adverse impact, financial or otherwise, on our Company.

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

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

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

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

10. Environmental problems could adversely affect our projects.

We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur costs to rectify the defects and/or substantial liabilities relating to rectifying the same.

11. Our business could be adversely impacted by economic, political and social developments in India and particularly in the regional markets that we construct, develop and sell projects.

Our performance and growth are dependent on the health of the Indian economy and in particular the economies of the regional markets we serve. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect our prospective customers, which in turn would adversely impact our business and financial performance and the price of our Equity Shares.

12. Political instability or changes in the Government could adversely affect economic conditions in India generally and the Company's business in particular.

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

13. After this Issue, the price of Equity Shares may be highly volatile.

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

(i) volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
(ii) our profitability and performance;
(iii) perceptions about our future performance or the performance of Indian companies in general;
(iv) performance of our competitors and the perception in the market about investments in the real estate industry;
(v) adverse media reports about us or the Indian real estate industry;
(vi) changes in the estimates of our performance or recommendations by financial analysts;
(vii) significant developments in India's economic liberalisation and deregulation policies; and
(viii) significant developments in India's fiscal and environmental regulations.

There can be no assurance that an active trading market for our Shares will be sustained after this Issue, or that the price at which our Shares have historically traded will correspond to the price at which the Shares are offered in this Issue or the price at which our Shares will trade in the market subsequent to this Issue. Our Share price may be volatile and may decline post listing.

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

Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities. The stock exchanges in India, in line with global developments, have witnessed substantial volatility in 2008. The Indian Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

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

16. ***There may be less company information available in the Indian securities markets than securities markets in developed countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in other, more developed countries. The SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries.

17. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

The Company's Articles of Association, regulations of its Board of Directors and Indian law govern the Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

18. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Company's business.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on the Company's business and future financial performance, its ability to obtain financing for capital expenditures and the trading price of the Shares.

19. ***Real estate investments are relatively illiquid***.

The real estate investments being relatively illiquid, our ability to vary our portfolio promptly in response to economic, financial, real estate market or other conditions will be limited. Accordingly, we may be unable to liquidate our assets on short notice, or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets, to ensure a quick sale.

Additionally, the proceeds from the sale of any properties may depend on many factors that are presently unknown, including the operating history, tax treatment of real estate investments, demographic trends in the area and available financing. There is a risk that we will not realize any significant or continuous appreciation on our investments. The foregoing and any other factor or event that would impede our ability to respond to adverse changes in the performance of our investments could have an adverse effect on our financial condition and results of operations.

20. Inadequate health and safety precautions may affect our Company.

In developing countries, such as India, the health and safety standards on construction sites may not be applied as stringently as in industrialised countries. Construction companies in India are however still subject to various health and safety laws and regulations as well as laws and regulations governing its relationship with its employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. Accidents and, in particular, fatalities may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependants.

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

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

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

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

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

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

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

Prominent Notes

- The Investors may contact the BRLM who have submitted the due diligence certificate to SEBI, for any compliant pertaining to the Issue;
    - Public Issue of [●] Equity Shares at a price of Rs. [●] for cash, aggregating upto Rs. 4,500 million. The Issue will constitute [●]% of the post Issue Equity Share capital of the Company. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO Placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.
- Our net worth, on a consolidated basis, is Rs. 3,746.17 million, as at March 31, 2009, as per our restated consolidated financial statements under Indian GAAP in the section titled "Financial Statements" beginning on page 184;
- The average cost of acquisition of the Company's Equity Shares by the Promoters is as follows; Mr. Lalitkumar Jain is Rs. 4.79, Lalitkumar Jain (HUF) is Rs. 111.11, Krutikumar Realty Holdings Private Limited and Sukumar Housing and Finance Private Limited is Rs. 0.005 and 0.01, respectively per Equity Share. The average cost of acquisition of Equity Shares by the Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us;
- The net asset value/ book value per Equity Share was Rs. 58.56 as at March 31, 2009, as per our restated consolidated financial statements of under Indian GAAP in the section titled "Financial Statement" beginning on page 184;
- Our Company was originally incorporated as Kumar Housing & Land Development Limited on May 25, 1993 in Pune as a public limited company under the Companies Act, 1956. The Company's name was changed to Kumar Urban Development Limited pursuant to a special resolution dated January 25, 2008
- See "Group Entities" on page 169 for details of group companies having business interest or other interest in the Issuer.
- See "Related Party Transactions" on page 178 for details of transaction by the Issuer with group or subsidiary companies during the last year, the nature of transactions and the cumulative value of transactions.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

The Indian economy

India is the second most populous country and the most populous democracy in the world with a total population of 1.147 billion as of August 2009 (*Source: http://populationcommission.nic.in/*). With a GDP of approximately US$3,267 billion in 2008, India is the fourth largest economy in the world only after United States of America, China and Japan. Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. The following table sets forth the key indicators of the Indian economy for the past five fiscal years.

(Annual percentage change, except for foreign exchange reserves)

	As at and for the year ended March 31				
	2005	**2006**	**2007**	**2008**	**2009**
GDP growth	7.5	9.5	9.7	9.0	6.7
Index of Industrial Production	8.4	8.2	11.6	8.5	2.6
Inflation - Wholesale Price Index	6.5	4.4	5.4	4.7	8.4
Foreign Exchange Reserves (in US$ bn)	141.5	151.6	199.2	309.7	252.0§
(1) § As of March 31, 2009					

(Source: Economic Survey 2008-2009, RBI, Central Statistical Organization, Ministry of Statistics and Programme Implementation)

The Indian economy posted an average growth rate of more than 7% in the decade since 1997. India achieved 9.5% GDP growth in 2006, 9.7% in 2007, and 9.0% in 2008 registering an average growth rate of over 9%. The rapid growth of the economy from 2003- 04 to 2007-08 made India an attractive destination for foreign capital inflows and net capital inflows that were 1.9 per cent of GDP in 2000-01 increased to 9.2 per cent in 2007-08. However, the economic growth decelerated in 2008-09 to 6.7% owing to the world wide economic slowdown and the advance estimates of the Central Statistical Organization released in February 2009 have placed the real GDP growth for 2008-09 at 7.1% which is 2% decline from the average growth rate registered over the previous three years. *(Source: http://indiabudget.nic.in/)*

According to the Economic Survey 2007-2008, per capita private final consumption expenditure increased in line with per capita income during this period. The growth of per capita consumption accelerated from an average of 2.2% per year during the 12 years from 1980-81 to 1991-92 to 2.6% per year during the next 11 years following the reforms of the 1990s. The growth rate has almost doubled to 5.1% per year during the subsequent five years from 2003-04 to 2007-08, with the current year's growth expected to be 5.3%, marginally higher than the five-year average. *(Source: Economic Survey 2007-08)*

The year 2008-09 closed with the industrial growth at only 2.4 per cent as per the Index of Industrial Production (IIP) as compared to 8.5 per cent in 2007-2008. The industrial sector witnessed a sharp slowdown during 2008-09 as a consequence of the global economic crisis. Despite the economic slowdown, the resilience of Indian enterprise accounted for investment remaining relatively buoyant, growing at a rate higher than that of GDP. The ratio of fixed investment to GDP consequently increased to 32.2 per cent of GDP in 2008-09 from 31.6 per cent in 2007-08. *(Source: http://indiabudget.nic.in/)*

See "Industry Overview" on page 80.

SUMMARY OF BUSINESS

Overview

We are a real estate development and construction company with focus on residential and commercial development in the cities of Pune and with presence in Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur. Our Promoter, Mr. Lalitkumar Jain has around three decades of experience in the real estate industry. In the past we and our promoter have undertaken all the real estate development under the brand name of "Kumar Builders", a trademark owned by Mr. Lalitkumar Jain. Further, we have been successful in establishing relationship with financial investors such as Reliance Capital Limited in our Company. Additionally, ICICI Prudential and LSO Subco No. 4 / LREF Subco No.4 have invested in our Subsidiaries RVPPL and KBTVPL, respectively.

Our operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects. As on date, we have 14 Ongoing projects across four cities with 3.91 million sq. ft. of estimated Developable Area and estimated saleable area of 3.42 million sq ft. In addition, we have 50 Forthcoming Projects with 73.13 million sq. ft. of Developable area and estimated 64.14 million sq. ft. of Saleable Area.

We were incorporated in 1993 and pursuant to a restructuring of the entities in our group in 2006, we acquired majority interests in certain entities forming part of our group. These entities on a cumulative basis prior to our acquisition have developed 3.30 million sq. ft. and our promoter Mr. Lalitkumar Jain was a majority stakeholder in all these entities prior to us acquiring an interest in them. We started our operations in Pune and gradually expanded to cities like Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur.

We have completed 2.18 million sq. ft. of Developable Area since 2006 including 10 residential (including one-redevelopment project) and 7 commercial projects.

In the residential segment, our past developments include of high-end residential projects, mid-income as well as affordable housing projects..We have developed projects such as Kumar Sophronia in Mumbai, Hillscapes & Buena Vista in Pune under high-end residential space. Under mid-income housing segment, we have executed projects such as Kumar Angan and Kumar Sansar in Pune. Under affordable housing segment, we have developed projects such as and Kubera Sankul in Pune.

In commercial segment, we have developed office complexes such as Kumar Business Centre and IT parks such as Cerebrum IT Park in Pune. In retail space, we have developed shopping centres such as Fun-n-shop and K.K market in Mumbai and retail malls such as and Fun –n-Shop in Pune.

We have also undertaken a phased wise mixed development project which include a bungalow/villa scheme, a middle income group housing complex, an IT park and a luxury residential complex, and a mall located Kalyani Nagar, Pune.

In our residential projects, our main focus is on developing integrated townships, redevelopment of existing residential complexes and slum rehabilitation projects. Currently, we are undertaking redevelopment of existing residential, complex apartments in the city of Mumbai in addition to slum rehabilitation projects in Pune.

In our residential projects, our main focus is on developing townships which are integrated master planned communities in the mid to luxury segment, wherein we design, build and sell a range of properties including high rise buildings, villas, townhouses and apartments of varying sizes and in compliance with the applicable law permitting such township developments.

In our commercial projects, we are focused on developing, selling and leasing office and SEZ properties targeted at a wide range of customers from individual users and small companies to large corporates in various sectors including IT and ITES.

We have a team of 193 dedicated real estate professionals consisting of 64 engineers and architects who play an active role in supervising the development process from inception to completion of projects. Our marketing and sales teams comprising of 16 individuals, are responsible for managing customer relations. We outsource to external agencies semi-qualified and most of our undergraduate manpower requirements.

Our team has expertise in all stages of property development including land identification, market analysis, feasibility study, land acquisition, project planning, approvals procurement, development management, marketing and sales strategy and execution. We outsource elements of project management and construction to qualified third party vendors and consultants to complete the timely execution of our projects. Each of our projects and the consultants engaged by us for such projects are under constant supervision of our engineering, architectural and sales and marketing teams.

According to a survey conducted by the Construction World publication in July 2009, our Company was amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land, to procurement, construction and development of the projects and sales and marketing of our project, to operation of our completed projects.

We follow a business model based relying extensively on our areas of expertise and outsourcing the other areas. Thus, by leveraging our core expertise and aligning ourselves with third party experts who perform functions outside our core focus areas, we optimise the use of our resources.

Our Land Reserves may be broadly classified into lands for Ongoing and Forthcoming Projects. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of September 25, 2009, our Land Reserves spread across various cities across India are provided below:

City	**Land Area**	**Developable Area**		**Saleable Area***	
	*In acres**	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
	% of aggregate area				
Pune	1,142.42	59.12	76.9%	53.04	78.9%
Mumbai	24.32	2.21	2.9%	1.25	1.9%
Bangaluru	222.46	6.83	8.9%	5.05	7.5%
Hyderabad	157.79	1.79	2.3%	1.07	1.6%
Nagpur	121.2	6.69	8.7%	6.69	10.0%
Panchgani	33.47	0.22	0.3%	0.13	0.2%
Total	**1,701.66**	**76.86**	**100%**	**67.23**	**100%**

* *Area here refers only to the share of our Company or our subsidiaries or Other Development Entities except in relation to our redevelopment projects or lands where we have a revenue sharing arrangements.*

As of March 31, 2009, we had consolidated total income and consolidated net profit, as restated, of Rs. 2,391.26 million and Rs. 348.51 million, respectively and for the fiscal year 2008, we had consolidated total income and consolidated net profit, as restated, of Rs. 3,235.48 million and Rs. 676.04 million, respectively.

Strengths

Our principal competitive strengths include the following:

We rely on our brand name, reputation for quality and track record.

We believe that over the past decade, we have created a brand name that stands for quality, innovation, trust, values and ethics. Our significant experience in undertaking a project from start to finish has enabled us to establish a strong track record of designing and constructing a diverse range of projects. We have a track record of developing and constructing high quality and innovative projects in a timely manner. We have established dedicated teams and processes to bid for, design and engineer, procure materials for and construct our projects in a cost-effective and quality-controlled manner. In the past, our Promoter has undertaken all development under the logo of 'Kumar Group' a brand which has been there for over many years. Since 1999, our Projects have been marketed under the Brand name 'Kumar Builders', a trademark owned by our Promoters. Our past history and our ability to undertake over redevelopment projects is an indication of our reputation in the Mumbai real estate market.

We have been able to negotiate successfully with the current owner/occupants of various residential complexes, due to our past track record which prove our ability to them to undertake redevelopments. We have existing relationships with investors for two projects that are being undertaken by our subsidiaries, namely Riverview Properties Private Limited and Kumar Builders Township Ventures Private Limited. These relationships are an indication of their faith in our ability to execute such projects.

Experienced management team with strong track record

Our Chairman, Mr. Lalitkumar Jain, has about three decades of experience in real estate industry. Our management team consists of experienced and qualified professionals who have extensive experience in the development, sales and management of real estate. Our qualified and experienced management and technical teams have contributed to the growth of our operations and the development of in-house processes and competencies. Some of our key managerial personnel in the areas of operations, design and development, finance, marketing, engineering, legal, human resource, and business development, are qualified professionals, who are specialists in their respective business functions.

We believe that this experience gives us the ability to anticipate the trends and requirements of the real estate market, identify and acquire lands in locations where we believe there is demand, and design our properties in accordance with demanding customer trends. This ability is evidenced by the popularity of our completed and upcoming integrated lifestyle enclaves. See "Management" on page 150 and "Our Promoter" on page 165.

Ability to undertake large scale developments.

We believe we have the ability to undertake large scale projects like the development of townships or undertaking the development of SEZs. Our ability to acquire large parcels of land and in a contiguous manner at strategic locations enables us to undertake such developments which require large parcels of land. We believe that our experience and presence in real estate business enables us to acquire such lands at prices that we believe are moderate. For example, for the development of townships we require 100 acres of land with clear title or interest which we have successfully been able to aggregate.

Competencies in-house reduce dependence on external agencies.

We maintain in-house proficiency and expertise for every stage in a project development process, from the inception of the project, which involves identification of land parcels and conceptualization of the project, to the execution of the project, which involves planning, designing and overseeing the construction activities, culminating in property delivery, which involves interfacing our marketing and sales team with customers.
Our team comprises of personnel having experience in various aspects of the real estate business including land acquisition, obtaining approvals, understanding of the local regulations, research and feasibility studies, planning & estimation, liaision with various approving and sanctioning authorities, Inventory Management, Purchasing of raw materials at competent cost, Sales and Marketing of the projects. We have 64 engineers and architects and 16 personnel in the sale and the marketing teams.

The land acquisition process is handled by our land acquisition team who identify land at strategic locations to ensure that land is bought at low costs. Our planning team and research team is experienced in conducting research to identify suitable product-mix for a particular location. The design and development team and the project management team works internally and utilises external consultants, architects to execute the project in an efficient and timely manner. The marketing team works on creating awareness amongst customers / clients on the product-mix, its strengths and features.

Diversified offering in the real estate space.

We undertake a variety of development in the real estate space. We have delivered products in various segments/categories of real estate industry like residential and commercial. Our offerings are tailored for various price categories; and include middle income and high end customers. We also intend to undertake the development of township`s thereby providing our customers the option of choosing from a variety of offerings. The affordable homes that we have built enable us to have access to the middle class, which we believe is a large customer base in India. We lease our commercial real estate development to ensure there are stable cash flows during times of slowdown in the real estate industry.

Strategy

We intend to develop a range of properties in a number of cities in India to meet a diversified business model and to provide for increasing customer demands. The following are the key elements of our business strategy:

Acquiring land in locations having potential for growth.

We intend to continue acquiring land at strategic location across India for our projects in order to replenish and augment our Land Reserves. Our ability to acquire land at such locations where we believe there is potential for construction and development; is critical to our growth strategy and profitability. Therefore, we only seek to acquire parcels of land and development rights over land where we are certain of future development. We believe that the key to our success lies in the successful identification of appropriate parcels of land. We intend to enter into joint development agreements wherever possible in such location outside Pune and Mumbai to keep the costs involved towards the lands low. We may also pursue a land acquisition strategy at those locations which we believe there may be potential in the near future for growth. Since Pune is an IT hub and IT has been the main driver of the residential demand in Pune we have targeted such IT centric areas for development of integrated townships. We have been successful in acquiring continguous parcels of land parcels at locations which have close proximity to the IT corridors of Pune like Hinjewadi and Kharadi. We have an IT/ITES notified SEZ near Phase I of Rajiv Gandhi Industrial Park at Hinjewadi.

Continue to develop mixed product offerings in a diverse range of price segments.

We intend to continue to focus on the development of residential products across different price-points. While we believe that the middle class offers the largest market for the affordable housing category, we also have products in the luxury and premium category like our mixed-use development under execution and our upcoming townships which therefore enable us to cater to different income groups. We believe that our ability to be able to offer our products to all price segments is key for our success. In addition to the residential offerings, we intend to continue to focus on commercial developments as the revenues from our commercial offerings enable us to sustain our business in lean periods where sales of residential units are low.

Continue to focus on redevelopment projects in Mumbai.

Our redevelopment projects being undertaken in Mumbai are very important to our future growth and success and we intend to continue to undertake such projects across the city of Mumbai. These redevelopment projects provide us with an opportunity to have access to lands at strategic locations in Mumbai where we otherwise could not have acquired interest; reach wider customer base; gain visibility; and earn a reputation of timely completing projects. We believe these redevelopment projects are capital efficient model as there is no commitment of large amounts toward acquiring interest in these land parcels. We have been successful in negotiating with various housing societies to provide them with redeveloped dwellings / accommodation (with extra area than the existing one) along with corpus to the society for maintenance and rentals during the period of re-development for alternate accommodation. We believe our past track record to have successfully bagged redevelopment projects and our ability to negotiate with societies will help us to bag more projects at low cost in future.

Enhance our design and construction capabilities.

As we continue to undertake large developments like our townships and SEZ developments, we intend to continuously further improve the quality of our real estate developments. We intend to undertake more activities in house to develop the expertise and thereby reduce the dependence on third parties. As we intend to undertake larger and more elaborate projects, we require our senior management and our internal support team to be able to handle such increased scale of operations for which our internal processes, applications and techniques must be professional as state of the art. As we will continue to seek to benefit from the use of advanced architectural techniques and construction materials, so as to create innovative, environmentally friendly and profitable developments, we intend to also source these from inside our organization. We have been working with well known architects to utilize their expertise for design and development of our various projects and intend to continue to do so.

Follow a lease and sale model for our commercial developments.

We intend to pursue a mixed strategy of building and selling our real estate properties as well as leasing commercial properties. Our decision to lease a property enables steady cash flows and thereby enables us to recover the amounts spent over a period of time. We may also pursue a sale of our commercial developments which have been leased and where there is an opportunity and a willing buyer. This model enables us counter market fluctuations and ensure cash flows. The sale of such leased assets in the past at a cap rate has allowed us to generate big volume cashflows which enabled us to expand our business.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Company's restated consolidated as of and for the year/period ended March 31, 2009, 2008 and 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and presented under the sections titled "Financial Statements" on page 184. The summary financial information presented below should be read in conjunction with our restated stand-alone and consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 268.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

	Particulars	**As at March 31,**		
		2009	**2008**	**2007**
A	**Goodwill Arising on Consolidation**	**211.24**	**63.64**	**0.00**
B	**Fixed Assets**			
	Gross Block	141.30	149.18	69.35
	Less: Depreciation	31.39	22.12	18.92
	Net Block	**109.91**	**127.06**	**50.43**
	Capital Work in Progress (including capital advance payments)	6.94	6.82	2.50
	Total Fixed Assets	**116.85**	**133.88**	**52.93**
C	**Investments**	**54.52**	**112.18**	**86.33**
D	**Current Assets, Loans and Advances**			
	Inventories	6,844.26	5,941.43	2,336.66
	Sundry Debtors	1,345.96	1,775.00	159.19
	Cash & Bank balances	349.20	258.87	371.97
	Other Current Assets	70.96	138.72	303.48
	Loans and advances	2,172.07	2,041.47	2,336.50
		10,782.45	**10,155.49**	**5,507.80**
E	**Deferred Tax Assets**	**-**	**-**	**1.46**
	Total Assets (A+B+C+D+E)	**11,165.06**	**10,465.19**	**5,648.52**
F	**Liabilities & Provisions**			
	Loan Funds			
	Secured Loans	4,021.41	4,608.60	2,781.19
	Unsecured Loans	316.55	908.39	106.69
		4,337.96	**5,516.99**	**2,887.88**
	Deferred Tax Liability	**2.29**	**1.25**	**-**
	Current Liabilities & Provisions			
	Current Liabilities	2,894.84	2,142.54	1,347.77
	Provisions	2.06	6.53	12.67
		2,896.90	**2,149.07**	**1,360.44**
	Total Liabilities (F)	**7,237.15**	**7,667.31**	**4,248.32**
G	**Share Application Money (G)**	**8.77**	**8.77**	**444.64**
H	**Minority Interest (H)**	**172.97**	**(85.75)**	**59.12**

I	**Net worth (A+B+C+D+E)-(F)-(G)-(H)**	**3,746.17**	**2,874.86**	**896.44**

	Represented by:			
	Shareholders' funds			
	Share Capital	639.73	639.73	90.50
	Reserves & Surplus	3,106.44	2,235.13	805.94
	a) Capital Reserve on consolidation	-	-	138.16
	b) Securities Premium Account	1,514.24	999.97	-
	c) General Reserve	10.00	10.00	-
	d) Profit and Loss account	1,582.20	1,225.16	667.78
	Total	**3,746.17**	**2,874.86**	**896.44**

ANNEXURE II – B

SUMMARY STATEMENT OF PROFIT & LOSS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

Particulars	**For the Year Ended March 31,**		
	2009	**2008**	**2007**
Income			
Income from Operation:			
Revenue from real estate development / sale	2,180.19	3,156.16	2,275.29
Share of profit from partnership firms engaged in real estate business	0.13	0.68	1.01
Project Management Fees	-	22.04	73.28
Total Income from Operation	**2,180.32**	**3,178.88**	**2,349.58**
Other income	210.94	56.60	0.61
Total Income	**2,391.26**	**3,235.48**	**2,350.19**
Expenditure			
Cost of revenue	1,130.22	1,439.91	1,172.10
Personnel expenses	103.41	101.62	36.29
Operating and other expenses	200.34	340.89	145.78
Operating Expenses	**1,433.97**	**1,882.42**	**1,354.17**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**957.29**	**1,353.06**	**996.02**
Interest and Finance Charges	546.21	553.89	107.63
Depreciation	9.67	8.03	1.76
Profit before tax, exceptional items and prior period items	**401.41**	**791.14**	**886.63**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	48.34	145.17	101.84
Deferred Tax	1.88	2.45	(0.55)
Tax for earlier years	2.95	-	-

Profit before exceptional items and prior period items	**348.24**	**643.52**	**785.34**
Exceptional items	-	(58.99)	(55.99)
Prior Period items	(15.30)	5.14	0.30
Net Profit Before Minority Interest	**332.94**	**589.67**	**729.65**
Share of Minority Shareholders	**1.99**	**(63.07)**	**94.60**
Net Profit for the Year (A)	**330.95**	**652.74**	**635.05**
Adjustments: (Refer Note No. 4 of Annexure IV -B)			
Prior Period Items of 2006-07	-	-	(0.30)
Prior Period Items of 2007-08	-	(5.14)	5.19
Prior Period Items of 2008-09	15.30	(15.26)	-
Exceptional Items of 2006-07	-	-	55.99
Exceptional Items of 2007-08	-	58.99	(4.54)
(Excess) / short depreciation related to earlier years	-	-	(0.36)
Misc Exp related to previous year	-	-	0.02
Deferred Tax now provided	0.20	(0.23)	0.03
Total Adjustments	**15.50**	**38.36**	**56.03**
Tax Impact of above adjustments	0.81	0.99	8.60
Tax impact - others	(2.95)	0.15	1.41
Total Tax Impact of adjustments	**(2.14)**	**1.14**	**10.01**
Total Adjustments after tax impact (B)	**17.64**	**37.22**	**46.02**
Net Profit, as Restated before Minority Interest C = (A+B)	**348.59**	**689.96**	**681.07**
Share of Minority Shareholders on above Adjustments (D)	**0.08**	**13.92**	**(0.62)**
Net Profit, as Restated (C-D)	**348.51**	**676.04**	**681.69**
Earning Per Share (Basic) (Rs.)	**5.45**	**11.07**	**11.08**
Earning Per Share (Diluted) (Rs.)	**5.45**	**11.07**	**11.04**

ANNEXURE III-B

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

	Particulars	For the Financial Year Ended March 31		
		2009	2008	2007
A.	**Cash Flow from Operating Activities**			
	Restated Net Profit before tax as restated	**401.42**	**775.89**	**886.94**
	Adjustment for :			
	Depreciation	9.67	8.03	2.12
	(Profit) /Loss on sale of Investments (Net)	(199.56)	30.09	0.17
	(Profit) /Loss on sale of assets	(0.89)	-	-
	Preliminary expenses written off	0.03	-	0.06
	Provision for Diminution on Investments	-	0.09	0.59
	Dividend income	(0.60)	(1.74)	(0.07)
	Interest expenses	520.59	553.89	159.29
	Sub Total	**329.24**	**590.36**	**162.16**
	Operating profit before working capital changes	**730.66**	**1,366.25**	**1,049.10**
	Adjustments for:			
	Changes in Trade and other Receivables	429.04	(1,410.23)	(159.19)
	Changes in Inventories	(944.83)	(1,952.98)	(2,445.21)
	Changes in Loans & Advances	53.46	790.59	(2,083.17)
	Changes in Other Current Assets	67.75	202.26	(243.95)
	Changes in Trade and other Payables	748.70	604.91	1,241.52
	Cash from operations	**1,084.78**	**(399.20)**	**(2,640.90)**
	Income Taxes paid	(45.83)	(145.17)	(139.32)
	Net cash from/(used in) operating activities (A)	**1,038.95**	**(544.37)**	**(2,780.22)**
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets including Capital Work in Progress	(12.17)	(61.75)	(11.46)
	Proceeds from Sale of Fixed Assets	20.42	-	5.20
	Business Acquisitions	147.90	(1,267.42)	120.83
	Proceeds from sale of Subsidiary / Division / Investments	267.64	18.16	59.15
	Purchase of investments	(0.06)	(56.07)	(128.56)
	Dividends received	0.60	1.74	0.07

	Net cash from/(used in) investing activities (B)	**424.33**	**(1,365.34)**	**45.23**
C.	**Cash Flow from Financing Activities**			
	Proceeds from share capital & Share Application Money	514.27	1,004.72	444.64
	Borrowings (Net)	(1,319.42)	1,393.62	2,686.07
	Interest Paid	(520.59)	(553.89)	(165.97)
	Dividend Paid including dividend tax	-	(10.33)	-
	Net cash from/(used in) financing activities (C)	**(1,325.74)**	**1,834.12**	**2,964.74**
	Net (Decrease) / Increase in cash (A+B+C)	**137.54**	**(75.59)**	**229.75**
	Cash and cash equivalents at beginning of year	161.15	236.74	6.99
	Cash and cash equivalents at end of year/period	298.69	161.15	236.74
	Net (Decrease) / Increase as above	137.54	(75.59)	229.75

Note:

Cash and cash equivalents exclude balance in margin money.

THE ISSUE

Equity Shares offered:	
Issue by the Company	Up to Rs. 4,500 million *****
Of which	
A) Qualified Institutional Buyers (QIB) portion(1)	At least [●] Equity Shares
Of which	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(2)	Not less than [●] Equity Shares
C) Retail Portion(2)	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	See the section titled "Objects of the Issue" on page 60.

** The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid up capital being offered to the public.*

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) Provided that, the Company may, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic mutual fund, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation being done to Anchor Investors. For details, please see "*Issue Procedure*" on page 371.

(2) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLM and the Designated Stock Exchange. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

GENERAL INFORMATION

Our company was originally incorporated as Kumar Housing & Land Development Limited on May 25, 1993, as a public limited company under the Companies Act, 1956. The Company's name was changed to Kumar Urban Development Limited pursuant to a special resolution dated Januray 25, 2008. A fresh certificate of incorporation consequent upon the name change was granted to the Company on February 7, 2008. We obtained a certificate of commencement of business on April 19, 1994.

Registered Office of the Company

Kumar Capital, 2nd Floor,
2413, East Street,
Pune 411 001
CIN: U70101PN1993PLC072139
Tel: (91) (20) 4000 6000
Fax: (91) (20) 2633 0584
Email: investors@kudl.in
Website: www.kudl.in

Company Identification Number: U70101PN1993PLC072139

Registration Number: 072139

Address of the Registrar of Companies

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

3rd Floor, PMT Depot Building,
Deccan Gymkhana,
Pune 411 004
Maharashtra

Board of Directors of the Company

The Board of Directors comprises the following:

Name and Designation	Age (years)	DIN	Address
Mr. Lalitkumar Jain Chairman and Managing Director	46	00102499	2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001 Maharashtra (India)
Ms. Kruti Jain Director	22	00102235	2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001 Maharashtra (India)
Mr. Shailesh Hingarh Director	42	00166916	2, Manodhairya, 1st Floor, Opp. Raj Oil Mill, 39, JP Road, Andheri (W), Mumbai 400058 Maharashtra (India)
Mr. Prakash Chandrashekhar Bhalerao Independent Director	59	00037544	B-7, Varsha Park, 263/4/3, Baner Road, Aundh, Pune 411 005 Maharashtra (India)
Mr. Kishore Laxminarayan Biyani	48	00005740	406, Jeevan Vihar, Manav Mandir Road,

Name and Designation	Age (years)	DIN	Address
Independent Director			Mumbai 400 006
Mr. Gaurav Dalmia Independent Director	44	00009639	20-F, prithviraj Road, New Delhi 110 011
Mr. Nachiket Joshi Independent Director	43	00222855	519, 3rd floor, tower three, multi storey flats,Mount Kailash, east of Kailash New Delhi 110010

For further details of the Directors, see the section titled "Management" on page 150.

Company Secretary and Compliance Officer

Ms. Sheetal Joshi is the Company Secretary and Compliance Officer of the Company. Her contact details are as follows:

Kumar Capital, 2nd Floor,
2413, East Street,
Pune 411 001
Tel: (91) (20) 4000 6000
Fax: (91) (20) 2633 0584
Email: investors@kudl.com

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

Book Running Lead Manager

Book Running Lead Manager
Enam Securities Private Limited 801, Dalamal Towers Nariman Point Mumbai 400 021 India Tel: (91 22) 6638 1800 Fax: (91 22) 2284 6824 Email: kudl.ipo@enam.com Investor grievance id: complaints@enam.com Website: www.enam.com Contact Person: Ms. Kanika Sarawgi SEBI Registration No.: INM000006856

Domestic legal advisor to the Issue
Amarchand & Mangaldas & Suresh A. Shroff & Co. 201, Midford House Midford Garden (Off M. G. Road) Bengaluru 560 001 Tel: (91 80) 2558 4870 Fax: (91 80) 2558 4266

Expert Opinion in relation to Area of our projects	
Neeraja Purandare Architect & Town Planner JN4/3/3 – Sector -10	***Nandapurkar & Associates*** Architects & Engineers 4/32, Unnat Nagar – III

Expert Opinion in relation to Area of our projects

Vashi
Navi Mumbai
Tel: (91 22) 27650541
Email: neerjacp@gmail.com
Contact Person: Ms. Neerja Purandare

Bapat Valuers & Consultants Private Limited
Shree Sharada Apartments"
CTS No. 109/05, Thorat Colony
Lane No. 14, Off Prabhat Road
Erandwane
Pune 411 004
Tel: (91 20) 25422873
Fax: (91 20) 25442873
Email: ravi@bapatvaluers.com
Contact Person: Mr. Ravindra Bapat

M.G Road, Goregaon(W)
Mumbai 400 062
Tel: (91 22) 28779909
Fax: (91 22) 28775509
Email: nndprkr@yahoo.co.in
Contact Person: Arvind Nandapurkar

Domestic Legal advisor to the Company

Rajani and Co,
204-207 Krishna Chambers
59 New Marine Lines
Mumbai 400020
Tel: (91-22) 4096 1000
Fax: (91-22) 4096 1010

Domestic Legal advisor to the Company

Rajani and Co,
204-207 Krishna Chambers
59 New Marine Lines
Mumbai 400020
Tel: (91-22) 4096 1000
Fax: (91-22) 4096 1010

Registrar to the Issue

Link Intime Private Limited
C-13, Pannalal Silk Mills Compound
Lal Bahadur Shastri Road, Bhandup (W),
Mumbai 400 0078
Tel No. (022) 2596 0320
Fax No. (022) 2596 0329
Email ID: kudl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Chetan Shinde

Bankers to the Issue and Escrow Collection Banks

[●] [●]

Refund Banker

[●]

Syndicate Members

[●]

Self Certified Syndicate Banks

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

Bankers to the Company
IDBI Bank Limited Corporate Park, Unit No. 2, Sion Trombay Road, Near Swastik Chambers Chembur Mumbai Tel No. (022) 6690 8402 Fax No. (022) 6690 8424 E-Mail Id: mn.kamat@idbi.com Contact Person: Mr. M.N. Kamat Website: www.idbibank.com

Auditors to the Company

Auditors
Lodha and Company Charetered Accountants 6, Karin Chambers, 40, A Doshi Marg (Hanam Street) Mumbai 400 023] Tel No. (022) 40021140 Fax No. (022) 22650126 E-Mail Id: mumbai@lodhaco.com Contact Person: R.P.Baradiya

Monitoring Agency

There is no requirement for a monitoring agency for the Issue pursuant to Regulation 16 of the SEBI ICDR Regulations.

IPO Grading Agency

Credit Analysis and Research Limited
4th Floor, Godgrej Coliseum
Somaiya Hospital Road
Off Eatern Express Highway
Sion (East)
Mumbai 400 022
Tel: (022) 67543456
Fax: (022) 67543457
Email: milind.raje@careratings.com
Website: www.careratings.com
Contact Person: Milind Raje

Credit Rating

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

IPO Grading

This Issue has been graded by Credit Analysis and Research Limited, a SEBI-registered credit rating agency, as [●], indicating [●] fundamentals. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. Pursuant to SEBI Regulations, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC. Attention is drawn to the disclaimer appearing on page [●].

Experts

Except for the report of CARE Limited in respect of the IPO grading of this Issue annexed herewith, and the Expert Opinion certificates from the Architects in relation to Area for our projects, the Company has not obtained any expert opinions.

Trustee

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

Project Appraisal

There is no project being appraised.

Inter seAllocation of Responsibilities

Since Enam is the only lead manager to the issue, hence all the below mentioned responsibilities and coordination will be done by it.

The responsibilities for various activities in this Issue are as follows:

Sr. No.	Activity	Responsibility
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Enam
2.	Drafting and design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI including finalisation of Prospectus and filings with Registrar of Companies	Enam
3.	Drafting and approval of all statutory advertisement	Enam
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	Enam
5.	Appointment of other intermediaries viz., Registrar to the Issue, printers, advertising agency and Bankers to the Issue	Enam
6.	Preparation of road show presentation	Enam
7.	International institutional marketing strategy • Finalise the list and division of investors for one to one meetings, in consultation with the Company, and • Finalizing the International road show schedule and investor meeting schedule	Enam
8.	Domestic institutions / banks / mutual funds marketing strategy • Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedule	Enam
9.	Non institutional and retail marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalise media and public relations strategy • Finalising centers for holding conferences for press and brokers • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material • Finalize collection centers	Enam

Sr. No.	Activity	Responsibility
10.	Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading	Enam
11.	Finalisation of pricing, in consultation with the Company	Enam
12.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post offer activities for the offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company	Enam

Book Building Process

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

(a) Our Company;
(b) Book Running Lead Manager;
(c) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters. Syndicate Members are appointed by the BRLM;
(d) Registrar to the Issue; and
(e) Escrow Collection Banks.

This is an Issue of less than 25% of the post Issue Equity Share capital of our Company and is being made pursuant to Rule 19(2)(b) of the SCRR through the 100% Book Building Process wherein at least 60% of the Issue size is required to be allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bid(s) after the Bid Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to such QIBs will be on a proportionate basis. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. In addition, Anchor Investors are required to pay at least 25% of the Bid Amount upon submission of the Bid cum Application Form and allocation to the Anchor Investors will be on a discretionary basis. For further details, see “Issue Structure” on page 367.

Our Company shall comply with regulations issued by SEBI for this Issue. In this regard, our Company has appointed Enam Securities Private Limited as the BRLM to manage the Issue and to procure subscriptions to the Issue.

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

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

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

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see "***Issue Procedure - Who Can Bid***") on page 372.

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

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "***Issue Procedure – Permanent Account Number or PAN***" on page 389).

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

5. Ensure the correctness of your demographic details (as defined in the "***Issue Procedure-Bidders Depository Account Details***" on page 384) given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant.

6. Bids by QIBs (including Anchor Investors) will have to be submitted to the BRLM.

7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Bid/Issue Programme

Bid/Issue Opening Date	**[●]***
Bid/Issue Closing Date	**[●]**

** Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in pubic offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM, Syndicate Members and the SCSB will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received up to the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

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

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

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the

Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriter including through its Syndicate/Sub Syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

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

Name and Address of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. Million)
[●]	[●]	[●]

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

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

CAPITAL STRUCTURE

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

(In Rs.million except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	**Authorized Share Capital**		
	125,000,000 Equity Shares of face value of Rs. 10 each	1250.00	-
B.	**Issued, Subscribed And Paid-Up Equity Capital before the Issue**		
	95,959,329 Equity Shares of Rs. 10 each fully paid-up before the Issue	959.59	-
C.	**Present Issue in terms of this Draft Red Herring Prospectus#**		
	[●] Equity Shares of Rs. 10 each.	[●]	[●]
D.	**Equity Capital after the Issue**		
	[●] Equity Shares of face value of Rs. 10 each	[●]	-
E.	**Securities Premium Account**		
	Before the Issue	680.10	-
	After the Issue	[●]	-

 # The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC pursuant to this Issue. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement ,subject to a minimum Issue size of 10% of the post Issue paid up capital being offered to the public.

The Issue has been authorized by the Board of Directors in their meeting on September 21, 2009, and by the shareholders of our Company at an AGM held on September 25, 2009.

Changes in the Authorised Share Capital of our Company since Incorporation:

a) The initial authorized capital of Rs. 0.50 million comprising 50,000 Equity Shares of Rs. 10 each was increased to Rs. 200.00 million comprising 20,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an Extra-ordinary General Meeting held on October 27, 2006.

b) The authorized capital of Rs. 200.00 million comprising 20,000,000 Equity Shares of Rs. 10 each was increased to Rs. 750.00 million comprising 75,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an Extra-ordinary General Meeting held on December 18, 2006.

c) The authorized capital of Rs. 750.00 million comprising 75,000,000 Equity Shares of Rs. 10 each was increased to Rs. 1,250.00 million comprising 125,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an Annual General Meeting held on September 25, 2009.

Notes to Capital Structure

1. Share Capital History of our Company

(a) Equity Share Capital History of our Company

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons/Mode of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs. in million)	Cumulative Share Premium (Rs. in million)
May 25, 1993	70	10	10	Cash	Subscribers to the Memorandum	70	0.0007	Nil
October 28, 1993	330	10	10	Cash	Preferential Allotment	400	0.004	Nil
October 1, 1997	50	10	10	Cash	Preferential Allotment	450	0.005	Nil
March 27, 2002	49,550	10	10	Cash	Preferential Allotment	50,000	0.50	Nil
October 27, 2006	9,000,000	10	Nil	Bonus	Bonus allotment in the ratio of 1:180	9,050,000	90.50	Nil
September 29, 2007	10,860,000	10	Nil	Bonus	Bonus allotment in the ratio of 5:6	19,910,000	199.10	Nil
	881,188	10	500	Cash	Preferential Allotment	20,791,188	207.91	431.78
October 19, 2007	41,582,376	10	Nil	Bonus	Bonus allotment in the ratio of 1:2	62,373,564	623.74	15.96
December 31, 2007	1,599,322	10	625.26	Cash	Preferential Allotment	63,972,886	639.73	999.96
September 25, 2009	31,986,443	10	Nil	Bonus	Bonus allotment in the ratio of 2:1	95,959,329	959.59	680.10

2. Promoter Contribution and Lock-in

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

(a) Indicated below is the capital built-up of the Promoters' shareholding in our Company:

S No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid up	No. of Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of payment of Issue	Percentage of pre-Issue paid up capital	Percentage of post Issue paid up capital
1		May 25, 1993	10	10	10	Subscribers to the Memorandum	0.00	[•]
		July 26, 2000	120	10	10	Transfer from K.H. Oswal HUF	0.00	[•]
		March 27, 2002	14,350	10	10	Preferential allotment	0.01	[•]
	Mr.	October 4, 2005	8,880	10	10	Transfer from L.K. Jain HUF	0.01	[•]

S No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid up	No. of Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of payment of Issue	Percentage of pre-Issue paid up capital	Percentage of post Issue paid up capital
	Lalitkumar Jain	October 27, 2006	4,204,800	10	Nil	Bonus allotment in the ratio of 1:180	4.38	[•]
		September 29, 2007	5,073,792	10	Nil	Bonus allotment in the ratio of 5:6	5.29	[•]
		September 29, 2007	418,923	10	500	Preferential Allotment	0.44	[•]
		October 19, 2007	19,441,750	10	Nil	Bonus allotment in the ratio of 1:2	20.26	[•]
		September 25, 2009	14,581,313	10	Nil	Bonus allotment in the ratio of 2:1	15.20	[•]
		TOTAL	**43,743,938**				**45.59**	**[•]**
2	Sukumar Housing & Finance Private Limited	July 26, 2000	30	10	10	Transfer from K.H. Oswal HUF	0.00	[•]
		March 27, 2002	3300	10	10	Preferential Allotment	0.00	[•]
		October 27, 2006	599,400	10	Nil	Bonus allotment in the ratio of 1:180	0.62	[•]
		September 29, 2007	723,276	10	Nil	Bonus allotment in the ratio of 5:6	0.75	[•]
		October 19, 2007	2,652,012	10	Nil	Bonus allotment in the ratio of 1:2	2.76	[•]
		September 25, 2009	1,989,009	10	Nil	Bonus allotment in the ratio of 2:1	2.07	[•]
		TOTAL	**5,967,027**				**6.22**	[•]
3	Krutikumar Realty Holdings Private Limited	July 26, 2006	3,330	10	10	Transfer from Ketki Properties & Estates Private Limited	0.00	[•]
		October 27, 2006	599,400	10	Nil	Bonus allotment in the ratio of 1:180	0.62	[•]
		September 29, 2007	723,276	10	Nil	Bonus allotment in the ratio of 5:6	0.75	[•]
		October 19, 2007	2,652,012	10	Nil	Bonus allotment in the ratio of 1:2	2.76	[•]
		September 25, 2009	1,989,009	10	Nil	Bonus allotment in the ratio of 2:1	2.07	[•]
		September 25, 2009	(42000)	10	30	Transfer to Directors	0.04	[•]
		TOTAL	**5,925,027**				**6.17**	**[•]**
4	Lalitkumar Jain (HUF)	September 29, 2007	423968	10	500	Preferential Allotment	0.44	[•]
		October, 19, 2007	847936	10	Nil	Bonus allotment in the ratio of 1:2	0.88	[•]
		September 25, 2009	635,952	10	Nil	Bonus allotment in the ratio of 2:1	0.66	[•]
		TOTAL	**1,907,856**				**1.99**	[•]

(b) Details of Promoters Contribution locked in for three years:

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue capital of the Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue.

Name of Promoters	Date of Allotment / acquisition and when made fully paid-up	Nature of Transaction	Number of Equity Shares locked in	Face Value (Rs.) (per share)	Issue Price / Purchase Price (Rs.) (per share)	% of post-Issue paid-up capital
Mr. Lalitkumar Jain	[●]	[●]	[●]	10	[●]	[●]
Sukumar Housing & Finance Private Limited	[●]	[●]	[●]	10	[●]	[●]
Krutikumar Realty Holdings Private Limited	[●]	[●]	[●]	10	[●]	[●]
Lalitkumar Jain (HUF)	[●]	[●]	[●]	10	[●]	[●]

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations. Our Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations. Promoters' holding in excess of promoters' contribution shall be locked-in for a period of one year.

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

In terms of regulation 37, our entire pre-Issue equity share capital held by persons other than Promoters consisting of 38,415,482 Equity Shares will be locked-in for a period of one year from the date of Allotment in this Issue except for the Promoters contribution as specified in clause 2(b) above shall be locked in for a period of three years from the date of Allotment in this Issue.

In terms of Regulation 40 of the SEBI ICDR Regulations:

- the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares of our Company which are locked-in as per Regulation 37, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

- the Equity Shares held by the Promoters may be transferred to another Promoter or to and among the promoter group or to a new promoter or persons in control of our Company which are locked-in as per Regulation 36, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Locked-in Equity Shares of our Company held by the Promoters can be pledged with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Further, the Equity Shares constituting 20% of the fully diluted post-Issue capital of the Company held by the Promoters that are locked in for a period of three years from the date of Allotment of Equity Shares in the Issue, may be pledged only if, in addition to complying with the aforesaid conditions, the loan has been granted by the banks or financial institutions for the purpose of financing one or more objects of the Issue.

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

(a) Our shareholders and the number of Equity Shares of Rs.10 each held by them as of the date of filing this Draft Red Herring Prospectus with SEBI and ten days prior to filing with SEBI, is as follows:

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Lalitkumar Jain	43,743,938	45.59
2.	Madhu Lalitkumar Jain	22,955,490	23.92
3.	Kruti Lalitkumar Jain	6,057,477	6.31
4.	Pranay Lalitkumar Jain	5,967,027	6.22
5.	Sukumar Housing and Finance Private Limited	5,967,027	6.22
6.	Krutikumar Realty Holdings Private Limited	5,925,027	6.17
7.	Reliance Capital Limited	2,398,983	2.50
8.	Lalitkumar Jain (HUF)	1,907,856	1.99
9.	Kruti Family Trust[1]	994,505	1.04
10	Shailesh Hingarh	14,000	0.01
	TOTAL	**95,931,329**	**99.97**

1. Shares are jointly held by the Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain, as trustees for the beneficial interest of Kruti Family Trust.

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

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Lalitkumar Jain	29,162,625	45.59
2.	Madhu Lalitkumar Jain	15,303,660	23.91
3.	Kruti Lalitkumar Jain	4,038,318	6.31
4.	Pranay Lalitkumar Jain	3,978,018	6.22
5.	Sukumar Housing and Finance Private Limited	3,978,018	6.22
6.	Krutikumar Realty Holdings Private Limited	3,978,018	6.22
7.	Reliance Capital Limited	1,599,322	2.50
8.	Lalitkumar Jain (HUF)	1,271,904	1.99
9.	Kruti Family Trust[1]	663,003	1.04
	TOTAL	**63,972,886**	**66.67**

1. Shares are jointly held by the Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain, as trustees for the beneficial interest of Kruti Family Trust.

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

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)

S.No.	Name of the Shareholder	No. of Equity Shares	Percentage Shareholding (%)
1.	Lalitkumar Jain	9,720,875	46.75%
2.	Madhu Lalitkumar Jain	5,101,220	24.54%
3.	Kruti Lalitkumar Jain	1,326,006	6.38%
4.	Pranay Lalitkumar Jain	1,326,006	6.38%
5.	Sukumar Housing and Finance Private Limited	1,326,006	6.38%
6.	Krutikumar Realty Holdings Private Limited	1,346,006	6.47%
7.	Kruti Family Trust[1]	221,001	1.06%
	TOTAL	**423,968**	**2.04%**

1. Shares are jointly held by the Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain, as trustees for the beneficial interest of Kruti Family Trust.

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

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

(a) *Equity Shareholding Pattern of our Company*

Shareholder Category	Pre Issue		Post Issue	
	No. of Equity Shares	Percentage Holding (%)	Number of Equity Shares	Percentage holding (%)
Promoters				
Lalitkumar Jain	43,743,938	45.59	[●]	[●]
Sukumar Housing and Finance Private Limited	5,967,027	6.22	[●]	[●]
Krutikumar Realty Holdings Private Limited	5,925,027	6.17	[●]	[●]
Lalitkumar Jain (HUF)	1,907,856	1.99	[●]	[●]
Sub Total (A)	57,543,848	59.97	[●]	[●]
Promoter Group				
Madhu Lalitkumar Jain	22,955,490	23.92		
Kruti Lalitkumar Jain	6,057,477	6.31	[●]	[●]
Pranay Lalitkumar Jain	5,967,027	6.22	[●]	[●]
Kruti Family Trust[1]	994,505	1.04	[●]	[●]
Shailesh Hingarh	14,000	0.01		
Sub Total (B)	35,988,499	37.50	[●]	[●]
Others			[●]	[●]
Kishore Biyani	7,000	0.01	[●]	[●]
Gaurav Dalmia	7,000	0.01	[●]	[●]
Nachiket Joshi	7,000	0.01	[●]	[●]
Prakash Chandrashekhar Bhalerao	7,000	0.01	[●]	[●]
Reliance Capital Limited	2,398,983	2.50	[●]	[●]
Sub Total (C)	2,426,983	2.53	[●]	[●]
Public (D)	-	-	[●]	[●]
Total share capital (A+B+C + D)	**95,959,329**	**100.00**	[●]	[●]

1. Shares are jointly held by the Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain, as trustees for the beneficial interest of Kruti Family Trust.

5. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, other than as follows:

Shareholder Category	Pre Issue		Post Issue	
	No. of Equity Shares	Percentage Holding (%)	No. of Equity Shares	Percentage holding (%)
Directors				
Lalitkumar Jain	43,743,938	45.59	[●]	[●]
Kruti Lalitkumar Jain	6,057,477	6.31	[●]	[●]
Shailesh Hingarh	14,000	0.01	[●]	[●]

Kishore Biyani	7,000	0.01	**[●]**	**[●]**
Gaurav Dalmia	7,000	0.01	**[●]**	**[●]**
Nachiket Joshi	7,000	0.01	**[●]**	**[●]**
Prakash Chandrashekhar Bhalerao	7,000	0.01	**[●]**	**[●]**
TOTAL	**49,843,415**	51.94	**[●]**	**[●]**

6. There have been no purchase or sale of Equity Shares by Promoters, Promoter Group, directors of promoter company and Directors and their immediate relatives during the period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI except below:

Name of the entity	Date of transaction	Nature of transaction	Number of securities	Average price per security
Promoters				
Krutikumar Realty Holdings Private Limited	September 25, 2009	Sale of Shares to Directors - Shailesh Hingarh, Kishore Biyani, Gaurav Dalmia, Nachiket Joshi & Prakash Chandrashekhar Bhalerao	42,000	30
Promoter Group				
Nil				
Directors of Promoter Company				
Nil				
Directors and their immediate relatives				
Shailesh Hingarh	September 25, 2009	Purchase of shares from Krutikumar Realty Holdings Private Limited	14,000	30
Kishore Biyani	September 25, 2009	Purchase of shares from Krutikumar Realty Holdings Private Limited	7,000	30
Gaurav Dalmia	September 25, 2009	Purchase of shares from Krutikumar Realty Holdings Private Limited	7,000	30
Nachiket Joshi	September 25, 2009	Purchase of shares from Krutikumar Realty Holdings Private Limited	7,000	30
Prakash Chandrashekhar Bhalerao	September 25, 2009	Purchase of shares from Krutikumar Realty Holdings Private Limited	7,000	30

7. There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing draft offer document with the Board.

8. For details of aggregate shareholding of the promoter group and of the directors of promoter, where promoter is a body corporate see “Capital Structure” on page 51 and “Our Promoters” on page 165.

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

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

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

12. 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 investor.

13. At least 60% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

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

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

16. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of finalizing the Basis of Allotment.

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

18. Our Promoters and members of our Promoter Group will not participate in this Issue.

19. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.

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

21. The Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue

22. We presently do not intend or propose to alter our capital structure for a period of six months from the 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 or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

23. 2,079,119 Equity Shares held by Mr. Lalitkumar Jain have been pledged to ICICI Prudential Asset Management Company Limited Portfolio Managers on behalf of its clients. For more details see "History and Corporate Structure" on page 141. Pursuant to sanctioning of the facility by ICICI Bank Limited, promoter of our subsidiary, Sukumar Housing and Finance Private Limited had agreed to create pledge of 959,594 of equity shares in favour of the ICICI Bank Limited. However, the creation of pledge is yet to take place.

24. We have 14 shareholders as of the date of this Draft Red Herring Prospectus.

25. Subject to the Pre-IPO Placement, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus to SEBI until the Equity Shares issued pursuant to the Issue have been listed

OBJECTS OF THE ISSUE

The objects of the Issue are:

- Acquisition of land development rights;
- Construction expenses of our ongoing and planned projects;
- Funding for repayment of loans for Company and certain of our Subsidiaries;
- General corporate purposes;
- Issue related expenses; and
- Achieve the benefits of listing.

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

Requirement of Funds and Means of Finance

The details of the proceeds of the Issue are summarized in the following table:

(Rs. in million)

Description	Amount
Gross proceeds of the Issue	[□]
Issue expenses	[□]
Net Proceeds	[□]

Use of Net Proceeds

The following table sets forth the total expenditure expected to be incurred on our projects, amount proposed to be financed from Net Proceeds of this Issue and other means of financing:

(In Rs. Million)

Sr. No.	Expenditure Items	Total Estimated Cost/Total amount availed	Amount deployed /repaid	Balance Payable	Amount up to which will be financed from Net Proceeds of the Issue	Estimated schedule of deployment of Net Proceeds for Fiscal	
						2010	2011
1.	Acquisition of land development rights	673.12	203.12	470.00	470.00	470.00	-
2.	Construction expenses of our Ongoing and Forthcoming projects	1030.00	300.00	730.00	730.00	360.00	370.00
3.	Funding for repayment of loans for Company and certain of our Subsidiaries	3,097.45	-	3,097.45	2000.00	2000.00	-
4.	General Corporate	[●]	[●]	[●]	[●]	[●]	[●]

Sr. No.	Expenditure Items	Total Estimated Cost/Total amount availed	Amount deployed /repaid	Balance Payable	Amount up to which will be financed from Net Proceeds of the Issue	Estimated schedule of deployment of Net Proceeds for Fiscal	
	Purposes						
	TOTAL	[●]	[●]	[●]	[●]	[●]	[●]

In the event of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flow from our operations, advances received from customers, and debt, as required.

The fund requirements are based on our current business plan and internal management estimates and have not been appraised by any bank or financial institution or any independent agency. We operate in an evolving, increasingly competitive and dynamic market and may have to revise our estimates from time to time on account of new projects, modifications in existing planned developments and the initiatives which we may pursue. We may have to revise our estimated costs and fund requirements owing to factors such as acquisition of new land, undertaking new projects, modifications in existing planned and forthcoming developments and any new initiatives which we may pursue. We may reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our ongoing and planned projects and therefore our fund requirements may change accordingly.

Any such change in our plans may require rescheduling or re-allocation or both of our expenditure programs, starting projects which are not currently planned, discontinuing projects which are currently planned and increase or decrease in the expenditure for a particular project at the discretion of the management of our Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals through cash flow from our operations, advances received from customers, and debt, as required.

Details of the Objects

1. Acquisition of land development rights

We recognize that access to land is the most important resource for a real estate developer. While historically we have had access to land development rights through our acquisitions in various large land parcels of lands in Pune, we believe that our future growth will require us to acquire land by way of capitalizing on acquiring land in the same vicinity to consolidate existing land parcels to achieve better and large lay-out and achieve economies of scale. Specifically, in Mumbai we would focus on re-development project/s/acquisition of land interests in relation to them. We intend to utilize a part of the net proceeds of the Issue to finance expenditure for the acquisition of lands/rights.

The acquisitions referred to above shall be through our subsidiaries. We may either capitalise our subsidiaries from the Net Proceeds of the Issue or provide them with loans on an arm's length basis at the appropriate stage. For details of our business, see section titled "Business" on page 101.

Sr. No	Name of the Subsidiary	Name of the Project	Location of project	Plot Areas to be acquired (in acres)	Total cost of Land/ Land development rights (Rs. Mn)*	Nature of Contract/ Documentation	Amount deployed as of September 25, 2009 **	Balance Payable after September 25, 2009

								Net Proceeds of the issue
1	Kumar Urban Development Limited	Khira Nagar-Redevelopment	Mumbai	10.59	366.64	Memorandum of Understanding & Letter of Intent(1)	14.35	352.29
2	Pune Mumbai Realty Private Limited	Cerebrum IT SEZ, Hinjewadi	Pune	13.31	88.53	Memorandum of Understanding (2)	5.57	82.96
3	Pune Mumbai Realty Private Limited	Kumar Ecoloch,	Pune	8.09	38.50	Memorandum of Understanding (3)	3.75	34.75
	Total			**38.55**	**673.12**		**23.67**	**470.00**

**Including Stamp duty and Registration cost*

***As per certificate from RSVA & Co., Chartered Accountants dated September 29, 2009*

(1) Letter of Intent dated January 01, 2007 from Khira Nagar Co-operative Housing Societies Association Limited ("Society") to our Company for the redevelopment wherein our Company is responsible for the conveyance of the land and other associated issues. The final plan specification for the constructions shall be approved by the society once the details of re-housing members are clear and informed to us. MOU between our Company and Khira Nagar Co-operative Housing Societies Association Limited dated September 24, 2009 for payment conveyance and other incidental expenses thereto to facilitate redevelopment. Our Company has also entered into nineteen Deed of Transfer with individual flat owners who exercised their option to exit the apartments.

(2) Pune Mumbai Realty Private Limited has entered into eight MOUs to acquire parcel of land aggregating to 13.31 acres. Some of the key common terms of the MoU include prior completion of title diligence for satisfaction of the title and demarcation of the land. The possession of the lands that shall be conveyed pursuant to these MoUs shall be handed over at the time of the registration. See "Our Land Reserves" on page 105.The estimated costs described in this section include such advances and deposits.

(3) Pune Mumbai Reality Private Limited has entered into eight MOUs to acquire parcel of land aggregate to a total of 8.09 acres. Some of the key common terms of the MoU include prior completion of title diligence for satisfaction of the title. The possession of the lands that shall be conveyed pursuant to these MoUs shall be handed over at the time of the registration. See "Our Land Reserves" on page 105.The estimated costs described in this section include such advances and deposits.

The acquisition of these lands will facilitate us in having contiguous parcels of lands as required for projects of such nature, except in the case of Khira Nagar Project, wherein the development right of the lands are to be conveyed to us. In addition we are also required to negotiate with the members of the Khira Nagar society for acquiring the units of the members who are desirous of exiting.

None of the above mentioned lands and land development rights forming part of our land reserves have been or are being purchased from our Promoters or Directors of the Company. The necessary approvals for the construction and development of the project shall be obtained at the time, we intend to commence construction upon acquisition of the land.

2. Construction expenses of our ongoing and forthcoming projects

We intend to utilise the proceeds of the Issue to towards the construction and developments of our Ongoing and Forthcoming projects being undertaken. These projects are in various stages of development. For further details about these projects see "Our Business" on page 101. We intend to deploy Rs. 730.00 million from the Net Proceeds of the Issue. The details of these projects are as follows:

Details of the projects

Projects under construction by our Subsidiaries:

Our Company intends to utilise Rs. 730.00 million out of the Net Proceeds of the Issue to fund our Subsidiaries in order to enable them to carry out the various construction and development activities which are required for such projects. We may either capitalise our subsidiaries from the Net Proceeds of the Issue or provide them with loans on an arm's length basis at the appropriate stage. The details of the total estimated project cost and the costs already incurred are as set forth in the table below:

(*Rs. in million*)

Sr. No	Name of the Entity	Name of the Project	Developable Area (in sq. ft.)	Start Year/ Estimated Start Year	Estimated Completion Year	Total Construction Cost (in Rs. million)	Amount deployed as of September 25, 2009 *	Balance Payable after September 25, 2009 Net Proceeds of the issue	Deployment Schedule	
									Fiscal 2010	Fiscal 2011
1	Kumar Builders	Kumar Skyvilla, Worli – Phase I	90,000	January 2010	December 2010	240.00	10.00	230.00	100.00	130.00
2.	Sinew Developers Limited	45 Nirvana Hills – Phase I	1,50,000	May 2009	December 2010	300.00	80.00	220.00	70.00	150.00
3	Kumar Builders	Manav - Kalyan	1,50,000	August 2008	December 2010	490.00	210.00	280.00	190.00	90.00
		Total	**3,90,000**			**1030.00**	**300.00**	**730.00**	**360.00**	**370.00**

**As per certificate from RSVA & Co., Chartered Accountants dated September 29, 2009*

3. Funding for repayment of loans for Company and certain subsidiaries

Our Company and our certain of our Subsidiaries have availed of loan facilities from various banks/financial institutions and other lenders for the projects being undertaken.

As of September 25, 2009, the principal amount outstanding from our Company is Rs. 1,165.36 million and Rs. 2,899.80 million, by our Subsidiaries. We may either capitalise our subsidiaries from the Net Proceeds of the Issue or provide them with loans on an arm's length basis at the appropriate stage.

We intend to utilise Rs. 2,000.00 million out of the Net Proceeds to repay the loans availed by us as well as to fund certain Subsidiaries in order to enable such Subsidiaries to repay the loans availed by them. This would also include all the loans we may borrow until the closing date.

The details of the loan amounts proposed to be repaid out of Issue proceeds are provided in the table below:

Sr. No	Name of the entity	Name of Lender	Loan documentation	Date of Maturity/ Repayment	Outstanding as on September 25, 2009 *	Amount to be part repaid from Net proceeds	Rate of Interest per annum	Purpose of the Loans
1	Kumar Urban Developme	Standard Chartered Bank	Facility Agreement dated May 31,	Repayment of Term Loan	890.00	550.00	Term Loan - 16%	Term Loan towards real estate

Sr. No	Name of the entity	Name of Lender	Loan documentation	Date of Maturity/ Repayment	Outstanding as on September 25, 2009 *	Amount to be part repaid from Net proceeds	Rate of Interest per annum	Purpose of the Loans
	nt Limited		2007 and Banking Arrangements facilities Letter dated February 27, 2009	starting from September 30, 2009 and ends on December 31, 2010. Repayment of overdraft facility starting from January 2010 till December 2010 in 12 equal monthly instalments.			Overdraft limit - 17.5%	activities.
2	Kumar Urban Development Limited	ICICI Bank	Facility Agreement dated August 30, 2007 & Amendatory Credit Arrangement Letter dated March 02, 2009	18 monthly instalments beginning on March 15, 2010	274.10	152.50	18.00%	The Facility will be utilized for acquisition of the approved project at Erandawane, Pune.
	Our Subsidiaries							
3	Kumar Housing Corporation Limited; M/s. Kumar Builders Consortium	Life Insurance Corporation Housing Finance Limited	Loan agreement dated January 15, 2008	18 monthly instalments beginning on September 01, 2009	1,447.20	1,000.00	14.00%	Repayments of limits availed from Standard Chartered Bank for Real Estate business of the group
4	M/s Kumar Builders	ICICI Bank	Facility Agreement dated July 31, 2007 and Amendatory Credit Arrangement Letter dated March 02, 2009	18 monthly instalments beginning March 15, 2010	89.15	55.00	18.00%	The Facility will be utilized for reimbursement of the cost incurred by the promoters to the extent of Rs.75 Mn on

Sr. No	Name of the entity	Name of Lender	Loan documentation	Date of Maturity/ Repayment	Outstanding as on September 25, 2009 *	Amount to be part repaid from Net proceeds	Rate of Interest per annum	Purpose of the Loans
								other approved projects and balance Rs.44.7 Mn for part financing the construction cost of the same.
5	Kumar Housing Corporation Limited	ICICI Bank	Facility Agreement dated July 31, 2007 and Amendatory Credit Arrangement Letter dated March 02, 2009	18 monthly instalments beginning March 15, 2010	172.00	92.50	18.00%	The Facility will be utilized for on lending to the group companies for acquisition of the approved project.
6	Kumar Housing Corporation Limited	Yes Bank	Loan Agreement dated December 13, 2007	8 quarterly instalments beginning March 2009	225.00	150.00	13.50%	Facility to be used towards redevelopment and reconstruction of Jagadusha Nagar Co-op Housing Society & Pant Nagar Suyog Co-op Housing Society Ltd. At Ghatkopar, Mumbai
	Total				**3,097.45**	**2000.00**		

**As per certificate from RSVA & Co., Chartered Accountants dated September 29, 2009*

For further details of the sanctioned facility and certain conditions specified therein, see the section titled “Financial Indebtedness” beginning on page 283 of this Draft Red Herring Prospectus.

4. General Corporate Purposes

The Net Proceeds from the Issue will be first utilised towards the aforesaid items and the balance is proposed to be utilized towards general corporate purposes, including but not restricted to acquisition development rights, construction of projects, strategic initiatives and acquisition of fixed assets, repayment/ prepayment of balance debt, brand building exercises, purchasing equipment and the strengthening of our marketing capabilities.

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

Expenses of the Issue

The breakdown of the total expenses for the Issue estimated at approximately [●]% of the Issue is as follows:

(Rs. in millions)

Activity	Expenses * (in Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue size*
Lead merchant bankers	[●]	[●]	[●]
Registrars to the issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to issue	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
Others (monitoring agency fees, printing cost, listing fee, etc.)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalization of Issue Price*

Appraisal Report

None of the projects for which the Net Proceeds will be utilized have been financially appraised by any banks, financial institutions or agency and the estimates of the costs of the projects mentioned above are based on the internal estimates of the Company.

Interim Use of Net Proceeds

We, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by us based upon the development of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Bridge loans

We have not raised any bridge loans against the proceeds of the Fresh Issue.

Monitoring of Utilisation of Funds

Our Audit Committee will monitor the utilization of the Net Proceeds of the Fresh Issue. As the size of the Issue will not exceed Rs. 5,000 million, there is no requirement to appoint a monitoring agency in compliance with Chapter II clause 16(1) of the SEBI Regulations.

We will disclose the details of the utilization of the Net Proceeds of the Fresh Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the listing agreement, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full proceeds raised through the Fresh Issue have been fully spent. The statement shall be certified by our Statutory Auditors. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49.

No part of the proceeds of the Fresh Issue will be paid by us as consideration to our Directors, Promoters, Promoter Group or Key Managerial Employees except in the normal course of our business.

BASIS FOR ISSUE PRICE

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price 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. The information presented below relating to our Company is based on the restated audited consolidated & standalone financial statements of our Company for Fiscal 2009, 2008, 2007, 2006 and 2005. Investors should also refer to the sections "Risk Factors", "Industry Overview", "Our Business" and "Financial Statements" on pages 1, 80, 101 and 283, respectively, to get a more informed view before making any investment decision.

QUALITATIVE FACTORS

- Brand name, reputation for quality and track record
- Experienced management team with strong track record
- Ability to undertake large scale developments
- Competencies in-house reduce dependence on external agencies
- Diversified offering in the real estate space

For further details, refer to "Our Business" and "Risk Factors" on page 101 and page 1 respectively.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated consolidated and standalone financial statements prepared in accordance with Indian GAAP.

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

1. BASIC & DILUTED EARNING PER SHARE (EPS):

As per our restated Consolidated Financial Statements

Year ended	Basic EPS (Rupees)	Diluted EPS (Rupees*)	Weight
March 31, 2007	11.09	7.28	1
March 31, 2008	10.85	7.17	2
March 31, 2009	5.45	3.63	3
Weighted Average	8.19	5.42	

**Adjusted for the issuance of bonus share*

As per our restated Standalone Financial Statements

Year ended	Basic EPS (Rupees)	Diluted EPS (Rupees*)	Weight
March 31, 2007	1.91	1.25	1
March 31, 2008	2.59	1.71	2
March 31, 2009	1.51	1.01	3
Weighted Average	1.94	1.28	

**Adjusted for the issuance of bonus share*

EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.

2. PRICE EARNING RATIO (P/E RATIO)

Price/Earning (P/E) ratio in relation to Issue Price of Rs [●]

a) For the year ended March 31, 2009 EPS (basic) is Rs. 5.17
b) P/E based on year ended March 31, 2009 is [●]
c) Peer Group P/E –
   a. Highest 106.80
   b. Lowest 0.70
   c. Peer Group Average 44.43

Source: Capital Markets Vol XXIV/13 dated August 24 to September 06, 2009 (Industry –Construction). Data based on full year results as reported in the edition.

Peer Group includes Ackruti City ("**Ackruti**"), DLF Limited ("**DLF**") Unitech Limited ("**Unitech**"), Indiabulls Real Estate Limited ("**Indiabulls**")

3. RETURN ON NET WORTH AS PER RESTATED INDIAN GAAP FINANCIALS:

As per our restated Consolidated Financial Statements

Year ended	(%)	Weight
March 31, 2007	76.04	1
March 31, 2008	23.52	2
March 31, 2009	9.30	3
Weighted Average	25	

Return on Networth (%) : Net profit after tax, as restated / Networth at the end of the year
Minimum Return on Increased Net Worth required to maintain pre-issue EPS (Standalone) is 9.30

As per our restated Standalone Financial Statements

Year ended	(%)	Weight
March 31, 2007	61.01	1
March 31, 2008	8.98	2
March 31, 2009	5.12	3
Weighted Average	16	

Return on Networth (%) : Net profit after tax, as restated / Networth at the end of the year**Minimum Return on Increased Net Worth required to maintain pre-issue EPS (Consolidated) is 5.12**

4. NET ASSET VALUE PER EQUITY SHARE:

a. As of March 31, 2009 is Rs. 58.56 per share
b. After the Issue [●]
c. Issue Price [●]*

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

Net Asset Value per Equity Share represents Net Worth, as restated, divided by the number of Equity Shares outstanding at the end of the period.

5. COMPARISON WITH INDUSTRY PEERS:

Fiscal 2009	EPS (Rs.)	NAV (per share)	P/E	RONW(%)
Akruti City	39.80	155.00	32.10	29.10
DLF Limited	9.10	71.50	65.20	43.20
Unitech Limited	3.00	30.40	36.00	29.60

Indiabulls Real Estate		0.40	154.80	-	4.30

Source: Capital Markets Vol XXIV/13 dated August 24 to September 06, 2009 (Industry –Construction). Data based on full year results as reported in the edition. Select companies that represent real estate developer from the construction companies group have been identified as peer group.

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of investor demand.

The face value of our Equity Shares is Rs.[●] each and the Issue Price is [●] times of the face value of our Equity Shares.

The Issue Price of Rs. [●] has been determined by us, in consultation with the BRLM on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, see the section titled "Risk Factors" beginning on page 1 and the financials of the Company including important profitability and return ratios, as set out in the "Financial Statements" stated on page 184 to have a more informed view. The trading price of the Equity shares of the company could decline due to the factors mentioned in "Risk Factors" and you may loose all or part of your investments.

STATEMENT OF TAX BENEFITS

Kumar Urban Development Limited
2413, Kumar Capital, 2nd Floor,
E-Street, Camp,
Pune 411 001

Dear Sirs,

We hereby certify that the enclosed annexure states the possible tax benefits available to Kumar Urban Development Limited (the "Company") and its shareholders under the current Direct Tax laws, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the Selling Shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising our of their participation in the issue.

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current direct tax laws presently in force in India.

Lodha & Company
Chartered Accountants
Place : Pune
Date : 25th September 2009
Partner
Membership No.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 ('the IT Act')

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions as may be prescribed under the relevant sections of the Income Tax Act, 1961.

INCOME TAX BENEFITS AVAILABLE TO THE COMPANY

<u>DEDUCTIONS UNDER CHAPTER VI A OF THE IT Act.</u>

<u>INCOME FROM HOUSE PROPERTY</u>

Under section 24(a) of the IT Act, the Company is eligible for deduction of thirty percent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out).

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

The Company will be eligible for exemption of income received from units of mutual funds specified under section 10 (23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10 (35) of the Act.

Under section 115JAA (1A) of the Act, tax credit shall be allowed of any tax paid under section 115 JB of the Act (MAT). Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years succeeding the year in which the MAT becomes allowable. The company shall be eligible to set-off the MAT credit, thus carried forward, in the year in which it is required to pay the tax under the regular provisions of the Income-tax Act. The amount which can be set-off is restricted to the difference between the tax payable under the regular provisions of the Act and tax payable under the provisions of section 115JB in that year.

BENEFITS AVAILABLE TO THE PROSPECTIVE RESIDENT SHAREHOLDERS OTHER THAN DOMESTIC COMPANIES

<u>DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE ACT</u>

Under section 10(34) of the IT Act, income by way of dividends (declared, distributed or paid on or after 1 April, 2003) referred to in Section 115-O received by the Company from domestic companies is exempt from income tax. However, Section 94(7) of the IT Act provides that the losses arising on account of sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

<u>INCOME FROM CAPITAL GAINS</u>

Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15% (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

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

(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

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

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

In terms of section 36(1)(xv) of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction as business expense from the income under the head “Profit and gains of business or profession” arising from taxable securities transactions.

III BENEFITS AVAILABLE TO CORPORATE RESIDENT SHAREHOLDERS (DOMESTIC COMPANIES).

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE ACT

Under section 10(34) of the IT Act, income by way of dividends (declared, distributed or paid on or after 1 April, 2003) referred to in Section 115-O received by the Company from domestic companies is exempt from income tax. However, Section 94(7) of the IT Act provides that the losses arising on account of sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

INCOME FROM CAPITAL GAINS

Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10percent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10percent (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax to the extent of rupees fifty lacs if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.
If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

In terms of section 36(1)(xv) of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction as business expense from the income under the head "Profit and gains of business or profession" arising from taxable securities transactions.

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

Subject to compliance with certain conditions laid down in section 32 of the Act, the Company will be entitled to deduction for depreciation in respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income Tax Rules,1962;

IV BENEFITS AVAILABLE TO MUTUAL FUNDS

Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or units of mutual fund specified under section 10 (23D) of the Act or zero coupon bonds will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sales of these assets held for 12 months or less are considered as "short term capital gains".

V BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE ACT

Under section 10(34) of the IT Act, income by way of dividends (declared, distributed or paid on or after 1 April, 2003) referred to in Section 115-O received by the Company from domestic companies is exempt from income tax. However, Section 94(7) of the IT Act provides that the losses arising on account of sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

INCOME FROM CAPITAL GAINS

According to the provisions of section115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess) without indexation benefit.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax. However, such income shall be taken into account in computing the book profits under section 115JB.

It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax to the extent of rupees fifty lacs if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.
If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

VI BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies/ Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

VII BENEFITS AVAILABLE TO NON-RESIDENTS / NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURECAPITAL INVESTORS)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE ACT

Under section 10(34) of the IT Act, income by way of dividends (declared, distributed or paid on or after 1 April, 2003) referred to in Section 115-O received by the Company from domestic companies is exempt from income tax. However, Section 94(7) of the IT Act provides that the losses arising on account of sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares are claimed as tax exempt by the shareholder.

INCOME FROM CAPITAL GAINS

Under section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, as per second proviso to section 48 of the IT Act, in respect of long term capital gains (i.e. shares held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed from time to time.

Under section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains, (other than those exempt under section 10(38) of the IT Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

As per section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

Under section 10(38) of the IT Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

Under section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the IT Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:
(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.
If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the IT Act for any assessment year beginning on or after April 1, 2006.

Under section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year
before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. An individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter-alia* entitles them to the following benefits:

i. Under Section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a non-resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

ii. Under Section 115F of the IT Act, long-term capital gains (in cases not covered by section 10(38) of the IT Act) arising to a non-resident Indian from transfer of shares of the company, subscribed in convertible foreign exchange (in case not covered under Section 115E of the IT Act), shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/saving certificates referred to in Section 10(4B) within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/saving certificates are transferred or converted into money within 3 years from the date of their acquisition.

Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income

chargeable under the IT Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

In terms of section 36(1)(xv) of the IT Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction as business expense from the income under the head “Profit and gains of business or profession” arising from taxable securities transactions.

VIII. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, 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 law and will be available only to the sole/first named holder in case the shares are held by the joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.
3. 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.
4. The above Statement of Possible Direct Tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
5. The above Statement of Possible Direct Tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these

benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

6. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect of the specific tax implications arising out of their participation in the issue.

7. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us, Book Running Lead Manager, or their respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

The Indian economy

India is the second most populous country and the most populous democracy in the world with a total population of 1.147 billion as of August 2009 (*Source: http://populationcommission.nic.in/*). With a GDP of approximately US$3,267 billion in 2008, India is the fourth largest economy in the world only after United States of America, China and Japan. Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. The following table sets forth the key indicators of the Indian economy for the past five fiscal years.

(Annual percentage change, except for foreign exchange reserves)

	As at and for the year ended March 31				
	2005	**2006**	**2007**	**2008**	**2009**
GDP growth	7.5	9.5	9.7	9.0	6.7
Index of Industrial Production	8.4	8.2	11.6	8.5	2.6
Inflation - Wholesale Price Index	6.5	4.4	5.4	4.7	8.4
Foreign Exchange Reserves (in US$ bn)	141.5	151.6	199.2	309.7	252.0§

(2) § As of March 31, 2009

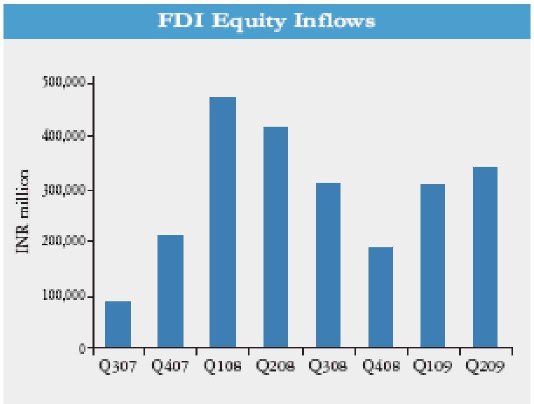
(Source: Economic Survey 2008-2009, RBI, Central Statistical Organization, Ministry of Statistics and Programme Implementation)

The Indian economy posted an average growth rate of more than 7% in the decade since 1997. India achieved 9.5% GDP growth in 2006, 9.7% in 2007, and 9.0% in 2008 registering an average growth rate of over 9%. The rapid growth of the economy from 2003- 04 to 2007-08 made India an attractive destination for foreign capital inflows and net capital inflows that were 1.9 per cent of GDP in 2000-01 increased to 9.2 per cent in 2007-08. However, the economic growth decelerated in 2008-09 to 6.7% owing to the world wide economic slowdown and the advance estimates of the Central Statistical Organization released in February 2009 have placed the real GDP growth for 2008-09 at 7.1% which is 2% decline from the average growth rate registered over the previous three years. *(Source: http://indiabudget.nic.in/)*

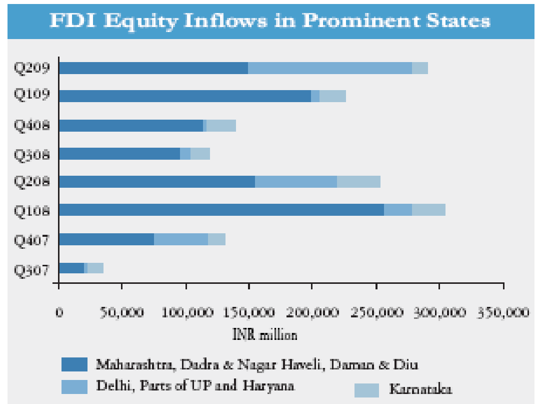
According to the Economic Survey 2007-2008, per capita private final consumption expenditure increased in line with per capita income during this period. The growth of per capita consumption accelerated from an average of 2.2% per year during the 12 years from 1980-81 to 1991-92 to 2.6% per year during the next 11 years following the reforms of the 1990s. The growth rate has almost doubled to 5.1% per year during the subsequent five years from 2003-04 to 2007-08, with the current year's growth expected to be 5.3%, marginally higher than the five-year average. *(Source: Economic Survey 2007-08)*

The year 2008-09 closed with the industrial growth at only 2.4 per cent as per the Index of Industrial Production (IIP) as compared to 8.5 per cent in 2007-2008. The industrial sector witnessed a sharp slowdown during 2008-09 as a consequence of the global economic crisis. Despite the economic slowdown, the resilience of Indian enterprise accounted for investment remaining relatively buoyant, growing at a rate higher than that of GDP. The ratio of fixed investment to GDP consequently increased to 32.2 per cent of GDP in 2008-09 from 31.6 per cent in 2007-08. *(Source: http://indiabudget.nic.in/)*

Despite the global slowdown, the overall FDI equity inflow has gained some momentum in the last two quarters accruing to a total of INR 646,600 million from January 2009 - August 2009. There was also an increase of nearly 28% in the FDI inflows since the second half of 2008. Fiscal stimulus packages and increased regulations/policies to improve the economy have had a positive impact on the FDI inflow too. Maharashtra continues to be most the attractive investment location for Institutional Investors. This location attracted a cumulative FDI inflow of INR 563,721 million from third quarter of 2008 – second quarter of 2009 with a steep hike in January 2009 (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery").*



Source : Department of Industrial Policy & Promotion
and Cushman & Wakefield Research



Source : Department of Industrial Policy & Promotion
and Cushman & Wakefield Research

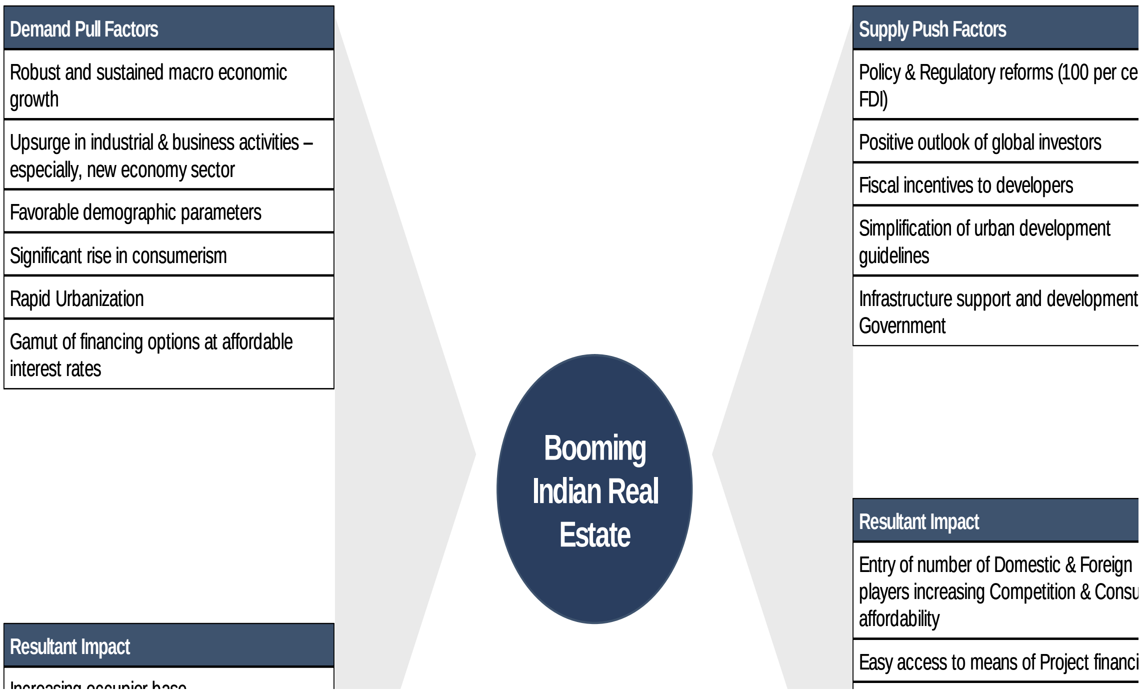
Foreign institutional investors (FIIs) turned net buyers in the Indian market in 2009. With the direct investment inflows remaining strong, official expectations indicate that foreign direct investment (FDI) inflows in 2009 would better the realized inflows of US$ 33 billion in 2008. According to the Asian Development Bank's Asia Capital Markets Monitor' report, the Indian equity market has emerged as the third biggest after China and Hong Kong in the emerging Asian region, with a market capitalisation of nearly US$ 600 billion. (*Source: "Indian Economy Overview", India Brand Equity Foundation, www.ibef.org).* The Indian economy is believed to have shock absorbers that will facilitate early revival of growth. First, the banks are financially sound and well capitalized. The foreign exchange reserves position remains comfortable and the external debt position has been within the comfort zone.

The Indian real estate sector

The real estate business primarily involves the purchase, sale and development of land, residential and non-residential buildings. Real estate sector includes residential housing, commercial space, retail outlets, trading spaces such as theatres, hotels and restaurants, industrial buildings such as factories and government buildings. Almost 80% of real estate developed in India is residential space, the rest comprising of offices, shopping malls, hotels and hospitals. *(Source: India Brand Equity Foundation, www.ibef.org "Industry – Real estate")*

The real estate sector occupies a significant place in the Indian economy. Being the second largest employer next only to agriculture, the real estate sector is an engine of the nation's growth. The Real Estate Industry has significant linkages with several other sectors of the economy and over 250 associated industries. Therefore, the real estate sector is also responsible for the development of over 250 ancillary industries such as cement, steel, paints, etc. A study by rating agency ICRA Limited shows that the construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

Almost 5% of the country's GDP is contributed by the housing sector and in the next five years, this contribution is expected to rise to 6%. According to industry players in the real estate industry, housing accounts for 4.5% of GDP with urban housing accounting for 3.13%. *(Source: India Brand Equity Foundation, www.ibef.org "Industry – Real estate")*



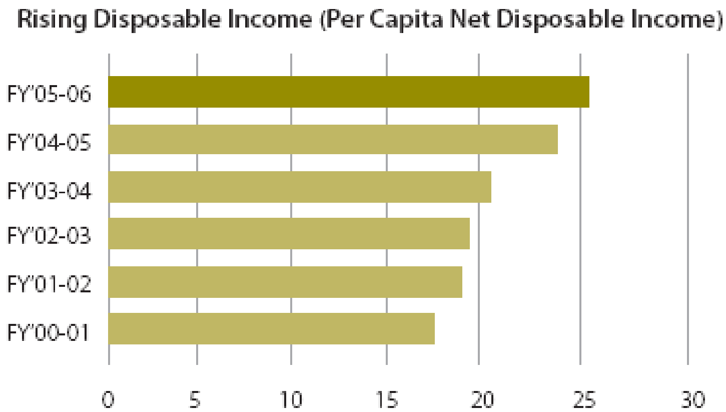
Source: India Brand Equity Foundation, www.ibef.org

Historically, the real estate sector in India was unorganised and characterised by various factors that impeded organised dealing, such as the absence of a centralised title registry providing title guarantee, a lack of uniformity in local laws and their application, non-availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values. In recent years however, the real estate sector in India has exhibited a trend towards greater organisation and transparency through various regulatory reforms including:

- the support of the Government of India for the repeal of the Urban Land Ceiling Act, with fourteen state governments having already repealed the Act which includes Maharashtra, Gujarat, Karnataka, Uttar Pradesh, Chandigarh and Delhi;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalisation of property taxes in a numbers of states;
- permitting 100 per cent FDI in realty projects through the automatic route;
- steps to reduce the time taken to develop SEZs by simplifying the procedures involved in getting tax-free industrial enclaves notified; and
- the proposed computerisation of land records;
- Deduction of 100% of the profit derived from developing and building housing projects allowed under sub-section (10) of section 80 – IB of Income Tax Act, 1961. The deduction is available for all housing projects that commenced on or after October 1, 1998 and gets completed within four years from the financial year in which the housing project is approved by the local authority.
- Integrated township policies initiated by state governments to encourage development of large integrated projects by granting various incentives like a 50% exemption from stamp duties.

- Launch of the Software Technology Park [STP] Scheme which is a 100% export oriented scheme for undertaking software development for export. Under the STP scheme there is a single window clearance mechanism for all approvals. A STP project can be set up anywhere in India and 100% foreign equity is also permitted.
- extension of STP scheme under the Finance Budget 2009-10 till March 31, 2011, thereby providing developers' encouragement to incur more on STP/IT infrastructure;
- notification dated August 13, 1998 under the Customs Act, 1962 granting exemption from customs duty to import of infrastructural equipments for being used in manufacture of software to be exported under the STP scheme; and
- fiscal and non-fiscal benefits granted under the IT & ITes Policy, 2003 and 2009 including eligibility of claiming 2 FSI on payment of applicable premium.

The per capita disposable income has grown manifold in the past one decade. Robust economic growth, particularly in the service sector has led to an increase in income levels in the country. This has increased the affordability of homes in spite of higher property prices and has further created more discerning buyers.

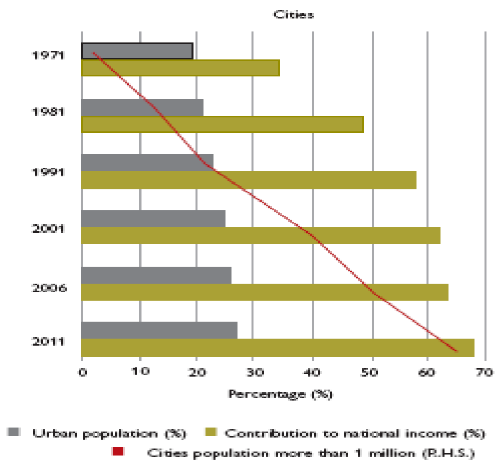


Source: *India Brand Equity Foundation, www.ibef.org*

The Tenth Five-Year Plan estimated a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years, 80 to 90 million housing dwelling units will have to be constructed with a majority of them catering to middle and lower income groups. The investment required for constructing the houses and related infrastructure in this period has been estimated to be to the order of US $ 666 billion at roughly US $ 33 billion to US $ 44 billion per year. *(Source: http://www.ficci.com/)*

One of the most significant drivers of the growing real estate sector is the increasing urbanization and rapid growth of the urban population which results in increasing demand for urban housing and infrastructure.

Rising Urbanisation in India



Source: National Institute of Urban Affairs, UNDP, India Brand Equity Foundation research, www.ibef.org

Government Initiatives

The Government of India has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels. According to the Foreign Investment Promotion Board (FIPB), the government body responsible for clearing investment proposals, foreign investors in Indian real estate cannot sell their stakes to another foreign investor before three years. With this, FIPB has overruled a provision in foreign direct investment (FDI) policy that exempts foreign players from the rule in cases where fund transfer is from one non-resident to another. In a cross-border joint venture in real estate, the foreign partner should bring in a minimum capital of US $5 million. The funds would have to be brought in within six months of commencement of business and the original investment cannot be repatriated before a period of three years from the completion of minimum capitalization. This has been interpreted in such a way that funds above the minimum capital requirement could be repatriated within the three-year lock in period. Real estate developers now want to restrict this as the sector got badly hit by the economic slowdown and drying up of sources of foreign capital. However, the commerce ministry is concerned that such a measure could be counter-productive. The government wants to keep the foreign investment policy as flexible as possible since the country now needs foreign capital to sustain the growth momentum. Therefore, no decision has been taken on this proposal and status quo continues.

The following initiatives by the Government have provided impetus to real estate sector growth:

- Under Press Note 2, 100% FDI is allowed in realty projects through the automatic route.
- In case of integrated townships, the minimum area to be developed has been brought down to 25 acres from 100 acres.
- Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) repealed by increasingly larger number of states.
- Enactment of the Special Economic Zones Act.
- Minimum capital investment for wholly-owned subsidiaries and joint ventures stands at US$ 10 million and US$ 5 million, respectively.
- Full repatriation of original investment after three years.

- RBI vide circular No. RBI/ 2009-10/151 DBOD.BP.BC.No. 42/08.12.015/2009-10 dated September 9, 2009 has laid down guidelines on classification of exposure as Commercial Real Estate (CRE) Exposure and has allowed relaxation for real estate exposure in following ways:

    - In those cases where there are arrangements to insulate the lease rentals from the volatility in the real estate prices by way of lease agreements for periods not shorter than that of the loan and there is no clause which allows downward adjustment in the lease rentals, such cases need not be as CRE from the time such conditions get fulfilled;

    - Where SEZ is developed by the single company entirely or mainly for its use. In such cases the repayment will depend on cash flows generated by the economic activities of the units in the SEZ and the general cash flows of the company rather than the level of real estate prices, it will not be classified as Commercial Real Estate Exposure; and

- In case where there are co-developer of SEZ ,who only undertakes specific jobs such as provision of sewerage, electrical lines etc and if their repayment is not dependent on the cash flows generated by the CRE asset and repayment will be made by main developer based on work in progress, such exposure will not be classified as CRE.

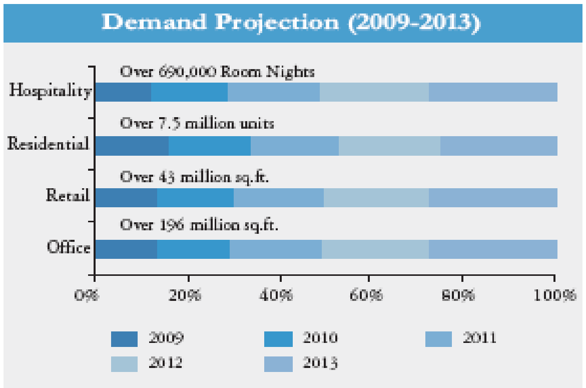
Besides the above measures, the government has recently announced an economic stimulus package keeping in mind the impact of the global slowdown on the Indian real estate sector. Public sector banks and private sector banks have announced packages for home loan borrowers in various categories. Though home loan rates have increased by almost 200 basis points in the past two years they are still 45 per cent cheaper than what they were in March 2001. *(Source: India Brand Equity Foundation, www.ibef.org)*

Several state governments have taken initiatives for creating guidelines for development of integrated townships. Such a policy is intended to address the need to decongest the city centers and create urban models for sustainable growth. State Governments of Rajasthan, Gujarat and Maharashtra have released integrated township policy/ housing policies and many other states are in process of developing new policies for 'integrated townships'. *(Source: India Brand Equity Foundation, www.ibef.org)*

In Mumbai, the local authorities have been encouraging and supporting re-development projects by giving incentives to the developers in the form of TDR elsewhere in return for the unutilized portion of the FAR granted to a particular project. The redevelopment project involves the rebuilding of dilapidated apartments in Mumbai by entering into a redevelopment agreement by and between the developer and the housing society that owns the apartment building by which the developer would demolish and build a new apartment building on the property in return for the additional FAR granted to the project over and above the existing FAR of the property. Developers can avail higher FSI against redevelopment by purchasing TDR (Transferable rights) from the open market in some cases. In case of South Mumbai, TDR concept is not there. Instead there are other norms (like providing free general parking or by providing free built-up area to the local authorities) which provide additional FSI.

Key segments of the real estate industry

According to Cushman & Wakefield research estimates, the pan-India demand for hospitality and residential segments are likely to be over 690,000 room nights and 7.5 million units, respectively and the forecasts for pan-India commercial office space demand for the period 2009-2013 stands at approximately 196 million sq.ft., while retail space demand for the same period across India is estimated to be about 43 million sq.ft. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*

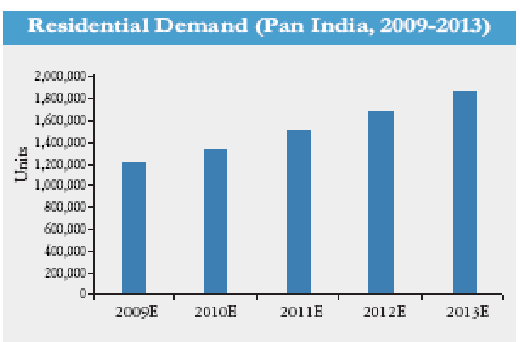


Source : Cushman & Wakefield Research

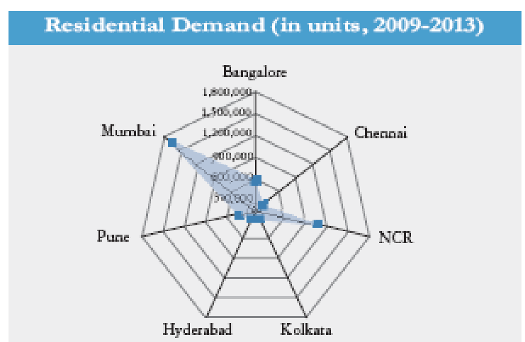
Residential segment

The growth in the residential real estate market in India has been largely driven by rising disposable incomes, a rapidly growing middle class, low interest rates, fiscal incentives on both interest and principal payments for housing loans and heightened customer expectations as well as increased urbanization and nuclearisation.

The pan India residential demand is estimated to be over 7.5 million units by 2013 across all categories including Economically Weaker Sections (EWS), affordable, mid and luxury segments. The residential demand for top seven cities is estimated to be 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated in tier 1 cities, i.e., Bengaluru, Mumbai and NCR. Mumbai is likely to witness the highest cumulative demand of 1.6 million units by 2013 due to various development projects and increasing urbanization in the city. Hyderabad and Bengaluru are likely to have the highest compounded annual growth of 14% in the next five years. The affordable and mid segment category, likely to constitute 85% of the total residential demand, will be the primary focus of most developers. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*



Source : Cushman & Wakefield Research



Source : Cushman & Wakefield Research

There has been rapid growth in the high-rise apartments segment due to lack of space in cities such as Mumbai, Pune and Bengaluru. Pune was recently granted permission to construct high-rises (upto 100 mtrs) by the local authority. The high-rise culture is gradually seeping into other cities such as Kolkata, Hyderabad and Chennai due to increasing affordability, nearness to IT or BPO parks and the township concept of being embraced within close proximity to such IT and BPO parks.

Driven by increasing urbanisation, rising incomes and decreasing household sizes, the residential segment in India has been on an upswing over the past few years. In terms of value, the residential property market constitutes almost 75% of the real estate market in India. The Working Committee of the Eleventh Five Year Plan (2007-12) of India has concluded that the total shortage of dwelling units at the beginning of Eleventh Plan Period i.e. 2007 was 24.7 million. *(Source: India Brand Equity Foundaton, www.ibef.org)*

The key growth drivers in the residential segment are: *(Source: India Brand Equity Foundaton, www.ibef.org)*

- Rapid urbanisation: Urban population expected to touch 590 million by 2030.
- Decreasing household size: Average increase in number of nuclear families estimated to be over 300 million (middle class population).
- Number of rich household growing at a compound annual growth rate ("CAGR") of 21%.
- Increasing working age population (almost 64% in 16-64 age group).
- Increasing income levels: per capita GDP increased by 66% in last five years

Middle income housing projects as envisaged by industry experts is gaining visibility. In order to meet the demand for affordable housing, the Confederation of Real Estate Developers Association of India (CREDAI) has even proposed a concept of Special Residential Zones (SRZ) as a solution. An SRZ is a notified geographical region that is free of domestic taxes, levies and duties, with special development rules to promote large-scale, greenfield affordable housing projects. The SRZ is expected to have a prescribed minimum number of dwellings of specific sizes with adequate social infrastructure, including schools and medical facilities.

On the larger residential front, tie-ups are taking place amongst developers and venture capital funds for development of townships, where project costs are equally shared. Redevelopment of properties has also become lucrative, where developers acquire lands or dilapidated buildings and convert them into premium residential properties. However, this process is mainly limited to Mumbai, where the state government is aggressively pursuing the re-development of such buildings. A large number of developers are keenly participating in such projects in anticipation of high returns. In view of the fact that 50% of the population of India is expected to be living in urban areas by 2041, it is necessary to develop more integrated townships in the cities.

Commercial segment

The commercial real estate market in India has evolved in response to a number of changes in the business environment. Commercial real estate demand is essentially driven by the performance of the economy, infrastructure developments and State-level policies to encourage investment. The key growth drivers in the commercial real estate sector are:

- Growth in the IT/ITES sectors: The primary growth driver of commercial real estate is the IT/ITES sector. Further according to NASSCOM estimates, India's IT/ITES industry is expected to grow to US$ 148 billion by 2012.

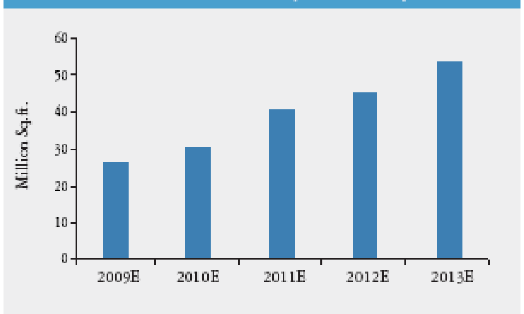
- Growth in knowledge and technology intensive sectors: Several other sectors such as financial services, biotechnology, telecom, pharma, insurance, and consulting businesses are witnessing growth and have added to the demand.

- Significant growth in FDI: Progressive liberalisation and easing of FDI norms in India across various sectors have paved the way for growth in FDI. This has further led to burgeoning demand for office space from multinational companies and other foreign investors

Large space requirements by the IT/ ITES sector have led to real estate growth spreading beyond the central business district to the suburban and peripheral locations of major cities. Further, a strong domestic economy together with aggressive corporate expansion plans led to healthy demand from sectors such as banking, financial services and insurance (BFSI), as well as media and entertainment.

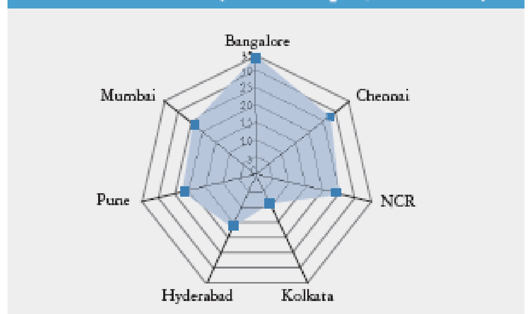
The pan India demand for office space is estimated to be 196 million sq. ft. by 2013, with seven major cities accounting for approximately 80% of the total demand. Hyderabad, Pune and Kolkata are expected to witness the highest compounded annual growth of approximately 28% during 2009-2013, highlighting the growing prominence prominence of tier 2 cities in the India growth story. However, Bengaluru is likely to have the highest cumulative demand of 34 million sq. ft. through the period under consideration, followed by Chennai, owing to renewed interest from the corporate sector, post the economic crisis. Established commercial centres, however, are expected to remain slower in growth than their tier 2 counterparts. Cumulative demand among the tier 1 cities of Mumbai, NCR and Bengaluru will account for 42% of total demand, with Mumbai and NCR accounting for 24 and 25 million sq.ft. of office space demand through 2009-2013, respectively. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*

Office Demand (Pan India)



Source : Cushman & Wakefield Research

Office Demand (Million Sq.ft., 2009-2013)



Source : Cushman & Wakefield Research

Over the medium term, the further liberalization of the economy is expected to lead to a broader occupier base. The supply of commercial office space is expected to remain concentrated in the suburban areas and in the form of IT Parks and integrated campuses.

A large supply of commercial space is also expected from SEZs over the next few years. *(Source: India Brand Equity Foundation, www.ibef.org)*. SEZs are specifically delineated duty free enclaves deemed to be foreign territories for the purposes of Indian custom controls, duties and tariffs. There are three main types of SEZs: integrated SEZs, which may consist of a number of industries; services SEZs, which may operate across a range of defined services; and sector specific SEZs, which focus on one particular industry line. SEZs, by virtue of their size, are expected to be a significant new source of real estate demand. As of November 18, 2008, there were 531 SEZs approved and 270 SEZs notified that cover a total area of 31,405 ha across India. 270 notified SEZs have already invested Rs. 834.5 billion on infrastructural facilities and directly employed approximately 110,000 people as of September 2008. *(Source: Ministry of Commerce and Industry – Department of Commerce)* The majority of investments in SEZs are expected to come from the private sector.

Retail segment

The Indian retail industry is witnessing a structural change with individual small format stores making way for large format shopping malls and hyper-markets. On the policy front, the partial relaxation in FDI regulation (51% FDI in single brand retailing) has provided a boost to the retail segment. Presently the top seven cities of India account for a dominant share in mall space. *(Source: India Brand Equity Foundation, www.ibef.org)*

The key growth drivers in the retail segment are: *(Source: India Brand Equity Foundation, www.ibef.org)*

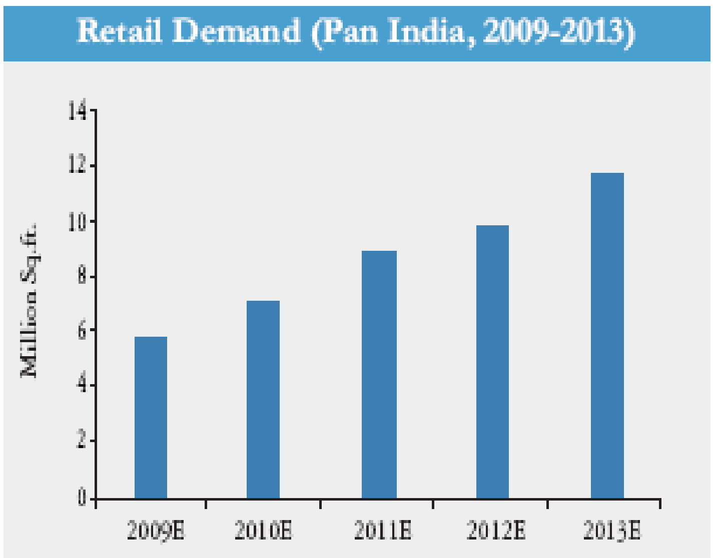
- Rising Consumerism: With growth in India's economy over the past two decades, the spending power of Indians has also increased manifold. Real average household disposable income has roughly doubled since 1985. The combination of rapidly rising household incomes and a growing middle-income population has led to a significant increase in overall consumer spending which in turn has been driving the growth of the Indian retail industry.

- Growth in organised retailing: Retailing in India is witnessing a huge makeover.

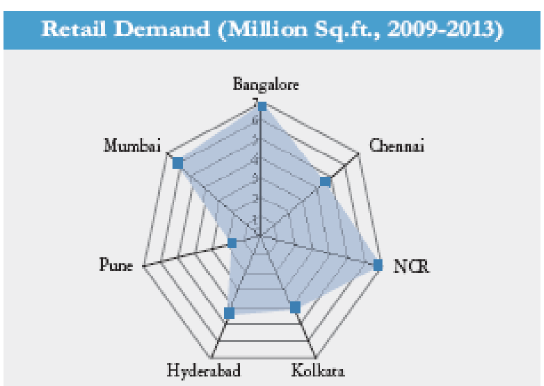
- Entry of international retailers into India: India is attracting large international retailers to its doorstep. Many international retailers are already present in the country primarily through the franchisee route and are actively considering expansion. Besides several other large retailers are planning to enter the country.

- Entry of Indian corporates in retail industry: Several Indian corporates including Reliance, Bharati, Tata amongst others have diversified into the retail segment.

- Concept of specialised malls gaining popularity: The concept of specialised malls is gaining popularity with auto malls, jewellery malls, furniture malls and electronics malls also anticipated to be part of the sector in the future. Many developers are further setting up mixed-use projects offering hotels, amusement facilities and commercial space.



Source : Cushman & Wakefield Research



Source: Cushman & Wakefield Research

Cumulative retail demand across India is estimated to be 43 million sq.ft. by 2013 of which demand in the top seven cities is estimated to be nearly 34.6 million sq.ft. The demand is expected to be concentrated in the tier 1 cities constituting nearly 46% of the total estimated pan India demand during the period under consideration. Pune is expected to record the highest compounded annual growth of 51% due to the current limited stock of operational malls and favourable demographic profile which cites potential for the growth of organised retail segment within the city. Bengaluru, Mumbai and NCR are all expected to see the highest demand, together comprising approximately 20 million sq.ft. The anticipated increase in the share of organised retail is expected to grow from 5% to 15.5% by 2016, according to the Investment Commission of India, highlighting the potential for retailers to expand pan India. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*

Several policy initiatives (51% FDI in single brand retailing) and ongoing policy debate to allow 100% FDI in organized retailing (in both single and multiple brands) also hold promise for the Indian retail industry. We believe that the organised retail sector can attain a higher annual growth rate and it is expected to contribute 10% of total sales by 2010. Several national and international corporates have either made a foray into the retail segment or firmed up plans to enter the retail segment. *(Source: India Brand Equity Foundation, www.ibef.org)*

Challenges prevailing in the Indian Real Estate Sector

Huge transaction costs

The real estate sector has traditionally been burdened with high transaction costs as a result of stamp duty on transfers of title to property that varies state by state. Though efforts are being made at the state level to reduce the stamp duties, they continue to be as high as 11% in certain states.

Increasing raw material prices

Construction activities are often funded by the purchaser, who makes cash advances at different stages of construction. In other words, the final amount of revenue from a project is pre-determined and the realization of this revenue is scattered across the period of construction. A significant challenge that real estate developers face is dealing with adverse movements in cost. The real estate sector is dependent on a number of components such as cement, steel, bricks, wood, sand, gravel and paints. As the revenues from sale of units are predetermined, adverse changes in the price of any raw material directly affect the profitability of the developers.

RBI's measures affecting the real estate sector

Certain measures of the RBI have detrimentally affected the real estate sector. These measures include the treatment of foreign investment coming as non-convertible, optionally convertible or partially convertible preference shares as debt which would require compliance with ECB guidelines. A change in the policy relating to external commercial borrowings ("ECB") has prohibited the utilization of ECB proceeds in the real estate sector. In this regard, the previously existing exemption in favour of integrated townships has been also been withdrawn. Further, in 2006, RBI increased the risk weightage on bank exposures to commercial real estate from 125% to 150%.

Interest rates

One of the main drivers of the growth in demand for housing units is the availability of finance for consumers and real estate developers at low rates of interest. Interest rates increased between 2004 and 2008. RBI has implemented various monetary measures to curb inflation and growth in credit to real estate. These have caused home loan interest rates to increase from 8.25% in 2004 to 8.75% in 2005 to 9.5% in 2006 to 10% in January 2007. However, interest rates have reduced recently and most leading financial institutions have recently reduced the rates which they charge on housing loans.

Lack of national reach of existing players

There are currently very few real estate companies in India who can claim to have operations throughout the country. Most real estate developers in India are regionally based and active in areas where the conditions are most familiar to them. This is due to factors such as:

- the differing tastes of customers in different regions,
- difficulties with respect to large scale land acquisition in unfamiliar locations,
- an absence of business infrastructure to market projects in new locations,
- large number of approvals which must be obtained from different authorities at various stages of construction under local laws, and
- long gestation period of projects.

Fragmented land holding

In India the land ownership is usually fragmented with multiple owners and therefore there is low availability of large contiguous land parcels with single owner. This leads to reduced availability of land with clear title.

Tax incentives

The existing tax incentives available for housing loans are one of the major factors influencing demand. These tax incentives, however, based on recommendations of various committees and panels, are likely to be withdrawn. The Kelkar Panel has recommended phasing out the income tax deduction available on the interest on housing loans for owner-occupied houses.

Time consuming approvals

Every real estate project requires approvals/no-objection certificates from multiple governmental agencies and applying and receiving of such approvals is a time consuming and circuitous procedure. This causes project delays and affects the marketability and financial viability of the project

Overview of the real estate industry few major Indian cities

Mumbai

Mumbai, the financial capital of India, has been the country's favoured destination for real estate investment by institutions and individuals across the country and abroad. Its commercial real estate stock has been rising on account of connectivity with extended suburbs as well as the satellite township of Navi Mumbai, which provides sufficient housing space for the working population. The pace of real estate development in the city has been much faster than the infrastructure development, the primary reason being the increasing population in the city.

Improvement in overall economic sentiments and increasing liquidity due to recent upward swing in the stock markets have marginally renewed confidence of both investors and end users in residential market. As a result, after witnessing a slump over the last 6 to 9 months, Mumbai witnessed some increment in demand in the residential sector. Additionally, increasing focus on affordable housing for lower and middle income groups has resulted in the launch of several affordable housing projects in 2Q 2009, most of which are concentrated in far peripheral locations of Mumbai. In second quarter of 2009, rental values across all micro markets remained stable in both the high range and mid range residential segment. With limited new supply (both mid end and high end) entering the market coupled with a spike in demand, most landlords upheld their rental expectations. The stability in mid end rental values can be further attributed to overall improvement in economic security for end user which has supplemented demand for mid end rental apartments. Further, during the same period, Mumbai witnessed a further softening of capital values across all micro markets. However, this drop in capital values was recorded in April and largely remained stable thereafter. Improved liquidity scenario coupled with softening of capital values and drop in home loan interest rates over the last six to nine months has led to pick up in demand for both high and mid end segment in the later half for the second quarter of 2009. *(Source: Cushman & Wakefield's Market Beat: Mumbai Residential Report, 2Q 2009)*

RENTAL VALUES AS OF 2Q 2009

Location	*Average Achievable Rent INR/mth*	*% Change from (Local Currency) 3 mth ago*	*1 yr ago*	*Short Term Outlook*
High End				
South	475,000 - 600,000	0%	-17%	→
South Central	450,000 - 750,000	0%	-25%	→
Central	400,000 - 650,000	0%	-19%	→
North	500,000 - 900,000	0%	-22%	→
Far North	50,000 - 90,000	0%	-28%	→
North East	175,000 - 400,000	0%	-18%	→
Mid-End				
South	150,000 - 275,000	0%	-6%	→
South Central	200,000 - 350,000	0%	-21%	→
Central	125,000 - 275,000	0%	-20%	→
North	125,000 - 250,000	0%	-17%	→
Far North	25,000 - 45,000	0%	-33%	→
North East	50,000 - 100,000	0%	-21%	→

CAPITAL VALUES AS OF 2Q 2009

Location	*Achievable Price INR/sq.ft*	*(Local Currency) % Change from 3 mth ago*	*1 yr ago*	*Short Term Outlook*
High End				
South	40,000 - 55,000	-5%	-7%	→
South Central	42,000 - 62,000	-3%	-13%	→
Central	18,000 - 35,000	-18%	-38%	→
North	17,000 - 27,000	-10%	-27%	→
Far North	6,500 - 10,000	-11%	-31%	→
North East	9,500 - 13,000	-12%	-38%	→
Mid-End				
South	25,000 - 33,000	-5%	-8%	→
South Central	34,000 - 43,000	0%	-4%	→
Central	12,000 - 24,000	-5%	-28%	→
North	10,000 - 29,000	-9%	-15%	→
Far North	5,500 - 7,500	-7%	-29%	→
North East	4,000 - 5,000	0%	-35%	→

Note:
Values are average prices for the respective areas
The above values for high range typically include units of 3,000 sq.ft. to 6,000 sq.ft.
The above values for mid range typically include units of 1,400 sq.ft. to 2,200 sq.ft.

Key to the Locations:
South : Colaba, Cuff Parade, Nariman Point, Churchgate
South Central : Altamount Rd., Carmichael Rd., Malabar Hill, Napeansea Rd., Breach Candy, Pedder Rd.
Central : Worli, Prabhadevi, Lower Parel / Parel
North : Bandra (W), Khar (W), Santacruz (W), Juhu
Far North : Andheri (W), Malad, Goregaon
North East : Powai

Legend
Market Rising ↗ Market Stable → Market Falling ↘

(Source: Cushman & Wakefield's Market Beat: Mumbai Residential Report, 2Q 2009)

Both the government as well as private players are now set to develop projects that would emphasise affordability in all income categories. The Maharashtra Housing & Area Development Authority (MHADA) has sold applications for affordable housing units in various pockets of the city for individuals in the high, mid and low income category. This is expected to help reduce the demand-supply mismatch among the masses. In addition to this, the Mumbai Metropolitan Regional Development Authority has opened its new policy of tying up with private developers to develop projects. This public-private partnership model will be implemented under the rental housing project of the authority with a view to help decongest the city over the next five years. *(Source: Knight Frank, "Mumbai residential property highlights (2008 Q4)")*

On the retail front, a number of new concepts have evolved during recent months. Developers have embarked on various strategies to differentiate their malls. One of the concepts fast catching up is the 'branding' of malls. On the other hand, developers are also creating banquet halls in malls to benefit from the increasing trend of parties and conferences. Hypermarket retailers like Big Bazaar have emerged as major crowd pullers and therefore enjoy the anchor tenant position in various malls, so much so that these retailers have been observed to have taken up large spaces in malls in quite remote locations. Another significant trend has been the steady rise in the number of multiplex screens on account of the increasing number of malls. Approximately, 2.8 million sq.ft. of retail space is expected to enter the Island City by the end of 2010, out of which around 0.45 million sq.ft. and 1.77 million sq.ft. is scheduled to enter the market in 2009 and 2010 respectively. (*Source: Knight Frank, "India Retail Market Review")*

Source: Knight Frank, Indian Retail Market Review3Q2008

Pune

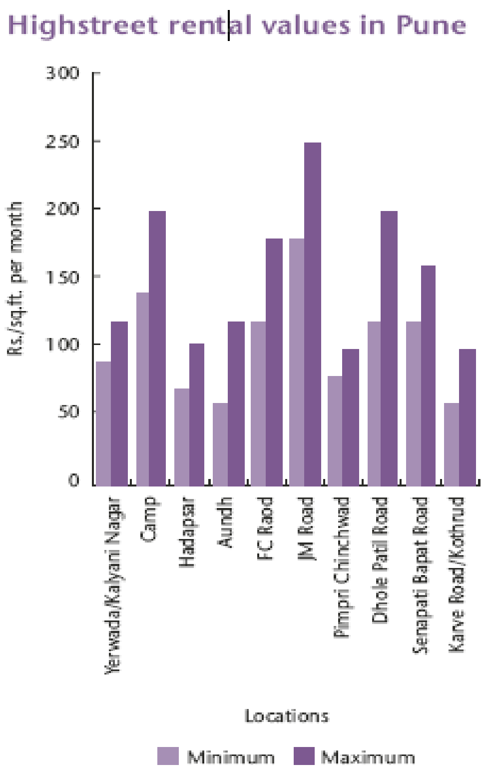
In recent times Pune has become one of the front runners in the real estate development in the tier II cities. Pune includes its twin city, Pimpri-Chinchwad and is the eighth largest city in India and second largest in the State of Maharashtra. Pune is located 160 kilometers from Mumbai. The Mumbai-Pune expressway has contributed to Pune's development as an IT destination, and the city has rapidly growing software, automobile components and other engineering industries. Traditionally, Pune has been a highly regarded educational centre. It has a large number of educational institutions, including engineering, medical and management institutes and colleges and the National Defense Academy.

Pune has become a preferred location for offshore businesses, largely because of its abundance of highly educated manpower and its pro-business government initiatives.

Demographic profile of Pune City	
GDP (Rs. in billion)	657
Per capita income (Rs.)	68,155
Population (million)	7.2
Literacy rate (%)	80
Sex ratio	919
Density per sq km	262

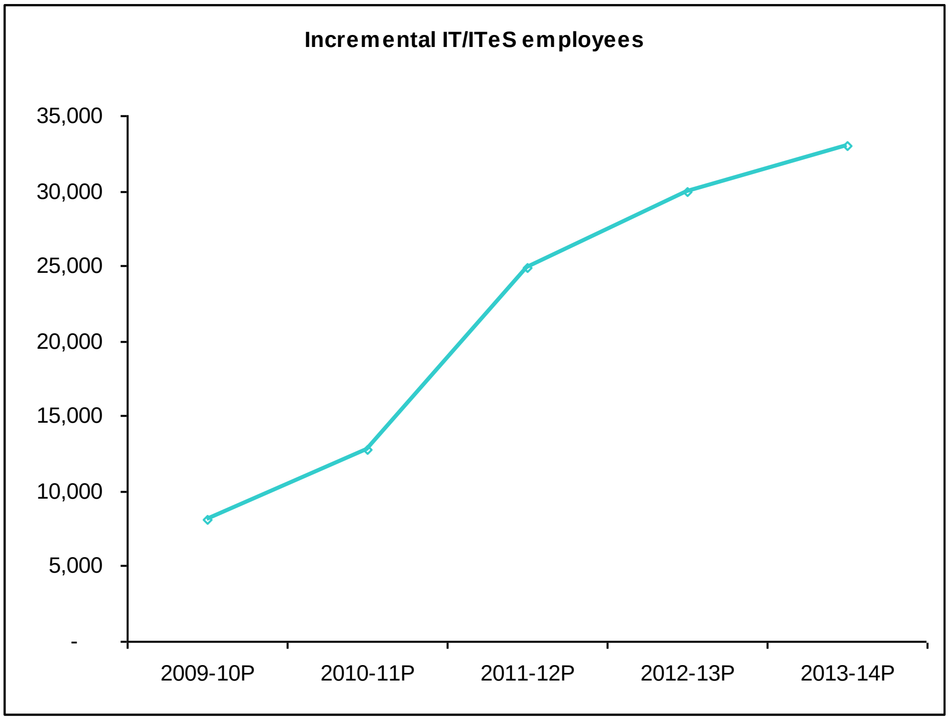
(Source: Economic survey of Maharashtra, 2008-09)

In the organized retail sector, Pune is expected to record the highest compounded annual growth of 51% due to the current limited stock of operational malls and favourable demographic profile which cites potential for the growth of organised retail segment within the city. In hospitality sector, Pune is expected to register the third highest compounded growth of 23% only after Bengaluru and the National Capital Region. In the commercial office space supply, in the first half of 2009, Pune received the second highest infusion of fresh supply estimated at 4.50 million sq.ft. only after the National Capital Territory. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*. The prime locations in Pune where retail development has flourished are concentrated in the CBD locations of MG. Road, Camp, Deccan and other central locations like JM Road and FC Road. Rentals have increased by around 5.15% in highstreet locations like JM Road, Deccan, Camp and Koregaon Park which are the preferred locations for retailers to set up their ventures. (*Source: Knight Frank, Indian Retail Market Review3Q 2008)*



Source: Knight Frank, Indian Retail Market Review3Q 2008

The Government of Maharashtra has plans to develop the Mumbai-Pune area as an IT corridor where facilities required by software exporters will be made widely available. In an effort to further attract investment and promote development, the Government of Maharashtra has provided certain concessions on stamp duty and exemptions from sales tax, electricity duty, octroi tax and property taxes, in both public and private IT parks. Similarly, the benefits available to 100% Export Oriented Units, such as exemptions from service tax, excise duty and import duty, are also available to these IT parks.



(Source: CRISIL Research's City Real(i)ty – 2009)

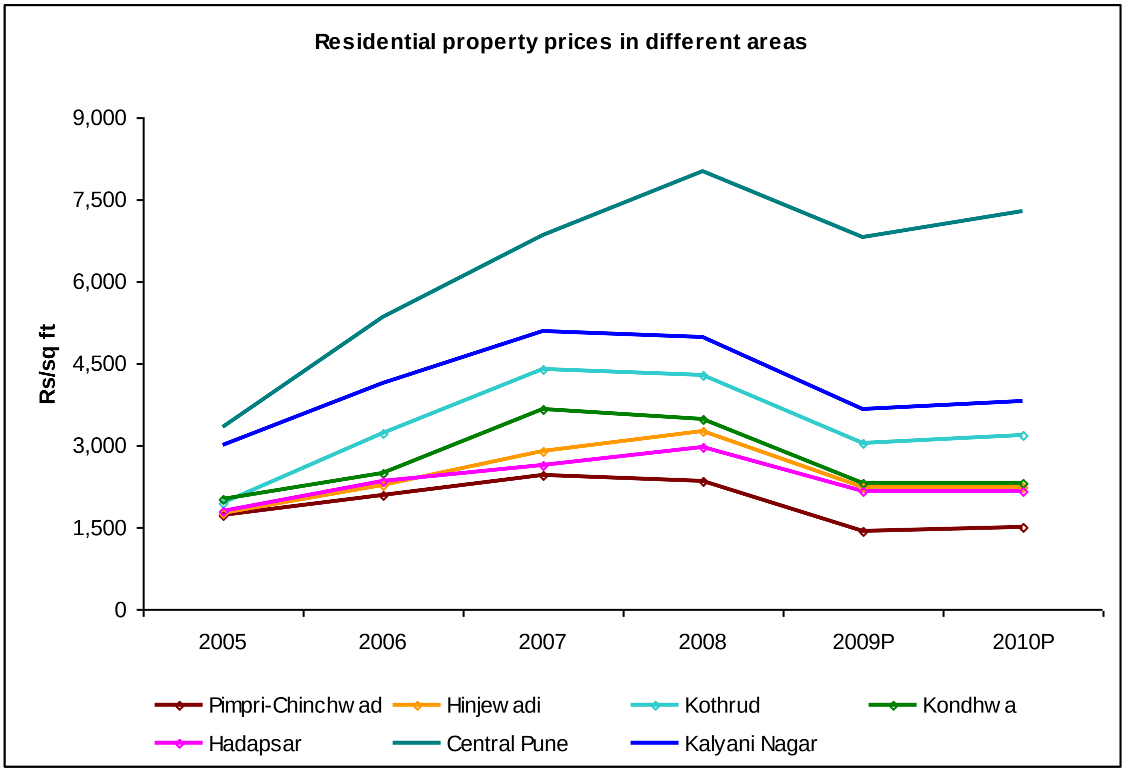
As per CRISIL Research's City Real(i)ty – 2009, incremental IT/ITeS employees added in the city of Pune is expected to increase from 8,115 in 2009-10 to 32,941 in 2013-14.

Pune's population has grown rapidly in the past ten years and currently has many emerging residential areas, including Aundh, Baner, Kharadi, Kalyani Nagar, Wagholi, Kondhwa, Bavdhan, Viman Nagar and Wakad. The real estate sector in Pune has experienced rapid growth in recent years. The demand for residential units and commercial space has been largely driven by growth in the services, IT, ITeS and automobile sectors.

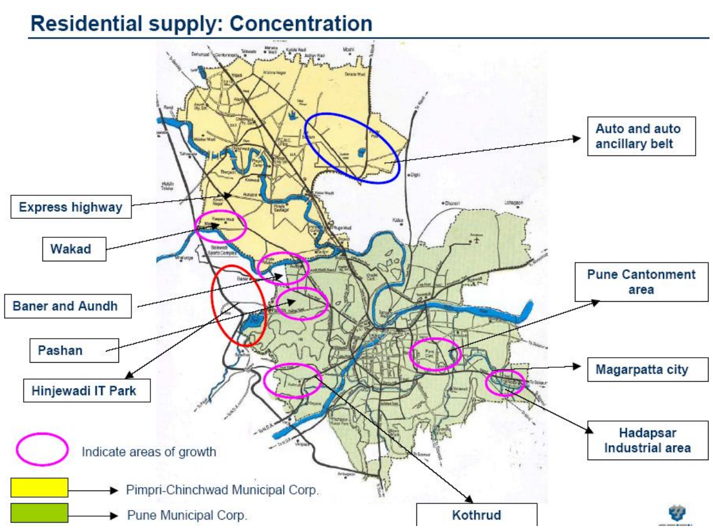
Residential Sector in Pune

Once known as a "pensioner's paradise", the residential sector in Pune has transformed as the city has emerged as an IT and auto sector centre. There has been an increase in the area per person, with a shift from one bedroom-hall-kitchen apartments to two-three bedroom-hall-kitchen apartments. Bungalows and villas have developed in the outskirts of the city. The city has also seen a spurt in high rise buildings and township projects.

According to CRISIL Research's City Real(i)ty – 2009 report, 73.1 million square feet of residential real estate will be added in Pune during 2009-11. Premium properties are being developed in areas like Koregaon Park, Kalyani Nagar, Cantonment and Boat Club Road. Growth in the outskirts is driven by IT and ITeS industries and the Bombay-Pune expressway.



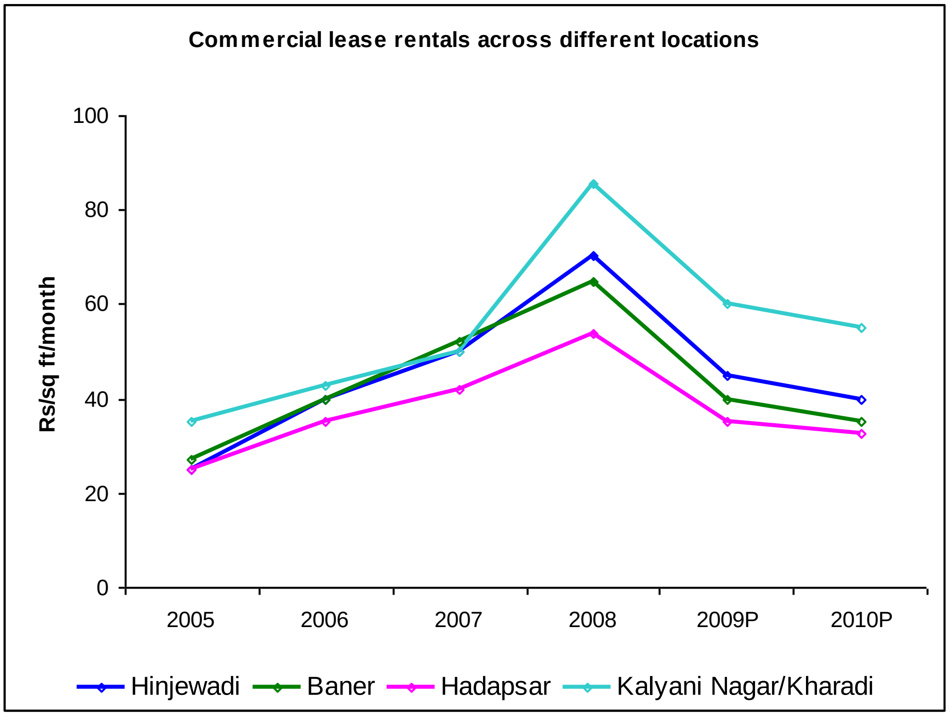
(Source: CRISIL Research's City Real(i)ty – 2009)



(Source: CRISIL Research's City Real(i)ty – 2009)

Commercial Sector in Pune

Industrial and commercial activity in Pune is expected to continue to be driven by the IT and ITeS industry, auto and auto ancillaries sector, and small scale industries. As per CRISIL Research's City Real(i)ty – 2009, 19.8 million square feet of commercial office space are expected to be added during 2009-11.

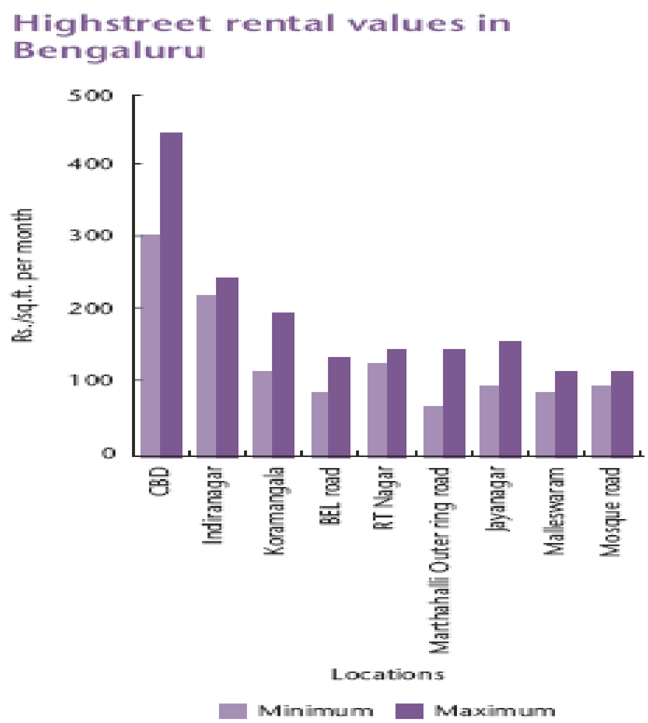


(Source: CRISIL Research's City Real(i)ty – 2009)

Bengaluru

Locations in North and North East Bengaluru (comprising of Hebbal, Yehlanka, Sahakarnagar, Jakkur, Coffee Board Layout, HRBR and HBR Layout, Banaswadi, Off Kempapura Road, Amruthahalli, Hennur Road, Thanisandra Road, etc) are considered to be favourable investment options in the mid term. Among the key attractions of the location are good connectivity, improved social infrastructure, proximity to destinations like ORR (Hebbal Sarjapur) and equidistant from CBD/Off CBD micro markets. With growing commercial development in the ORR stretch, there is an increasing demand for residential development in the above mentioned residential catchments. The total residential stock in the these micro markets is approximately 6,500 units, with majority of them purchased; while approximately 7,000-8,000 units are expected to be added to the stock over the next 3-4 years, the majority being in the mid-range category. The residential demand for Bengaluru is expected to be approximately 500,000 units in the next few years. The physical infrastructure and the connectivity in this region are favourable, including proximity to the airport. There are many educational institutions and hospitals in and around these micro markets. Approximately 1.5 million sq ft. of the retail mall supply is also planned for the next 3-5 years. Additionally other organised retail in the form of supermarkets and standalone stores also have an active presence in a few of these locations. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*

Bengaluru's high-end segment witnessed a considerably higher rate of rental drop over the mid-end sector in the second quarter of 2009. This was mainly due to a comparatively reduced demand from end-users, including expatriates, over the last few quarters. The north micro-market (Hebbal, Yelahanka, Dodballapur, etc.) saw significant correction across both high and mid-end segments, mainly due to the lack of commercial and social developments in this area. Other micro-markets to witness a significant quarterly drop across both segments were the Central and Off Central locations as they continued to have a larger scope for correction as against other markets.



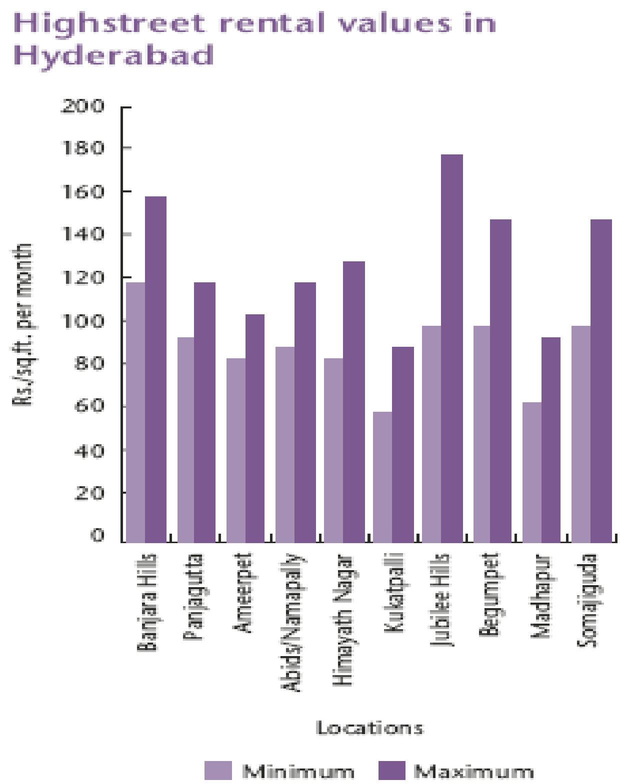
Source: Knight Frank, Indian Retail Market Review3Q 2008

Hyderabad

Completion of ongoing projects is the priority for most developers in the city. The western region encompassing Gachibowli, Gopanpally, Kondapur and the north-west regions of Miyapur and Nizampet Road etc. saw maximum number of ongoing developments which are nearing completion. In spite of the continuing slowdown, both mid-end as well as high-end projects together have managed an overall 25% bookings. Few developers in the city resorted to re-structuring of their product mix (projects that are either under execution or in foundation stage) with a focus on affordable housing to move in line with the demand.

Hyderabad and Bengaluru are likely to have the highest compounded annual growth of 14% in the next five years. The affordable and mid segment category, likely to constitute 85% of the total residential demand, will be the primary focus of most developers. (*Source: Cushman and Wakefield, "Survival to Revival - Indian real estate industry on the path to recovery")*

The retail sector in Hyderabad has received a significant boost with the boom of the IT/ITES sector and the changing lifestyle of the younger generation. Increased consumer demand and improved sourcing options as well as the availability of quality real estate has created the foundation for significant growth in the organised retail sector in the city. As of August 2008, the city had approximately 3.21 mn.sq.ft. of organised retail space. (*Source; Knight Frank, "Indian Retail Market Review Quarter 3 2008*)



Source: Knight Frank, Indian Retail Market Review3Q 2008

Nagpur

Nagpur, besides being an industrial city, is a key business and administrative centre of Maharashtra. The city, spread over an area of approximately 253 sq. km., has witnessed a decadal population growth of 26.3% in 2001. Nagpur is undergoing major transformation and this is evident by the improving infrastructure of the city, increasing focus of the local government on city development and the positive changes in the real estate sector of the city. The residential supply in Nagpur has grown by almost 100% over the last few years. With a number of new projects mushrooming in various locations in the city, real estate development in Nagpur is on an upward curve. Demand for housing in Nagpur arises from employees working in the local industries, businessmen, IT/ITES and BPO professionals as well as those engaged in the insurance and banking sector. Since more than half the population of the city constitutes of the middle-income and the upper middle-income group, investments in residential properties by the local residents has shown a considerable increase. The 'R.K. Swamy's -BBDO Guide to Urban Markets, 2005' has ranked Nagpur as the 10th richest city in the country. With infrastructure initiatives in place, Nagpur has a potential for developing into a much sought after real estate destination. Availability of educated manpower, cheap real estate and land for large campus developments are attracting many IT companies to this city. *(Source: Knight Frank's "Emerging growth centres" Quarter 1 2007)*

Market trends and outlook *(Source: India Brand Equity Foundaton, www.ibef.org)*

Parameters	Characteristics/ Trends	Outlook
Structure	• Highly unorganized sector • Entry of numerous new players	• Phase of consolidation expected in five to seven years • Entry of large number of international players • Preference towards strategic development alliances

Parameters	Characteristics/ Trends	Outlook
Market Concentration	• Highly concentrated within top six to eight cities in the country • High concentration leading to significant property price rise in such cities	• Growth to be driven primarily by Tier-II and Tier-III cities in the near future, across segments • Emergence of at least 10 to 15 new cities as growth centers • Increased development of planned cities
Competition	• High competition with four to six key national players and numerous regional companies	• Shift in competition towards product focus/ differentiation
Extent of Regulations	• Moderate-No functional regulatory body • Region/Location specific building laws • 100% FDI is allowed under the automatic route	• Stringent regulations expected to be introduced in line with international norms • Reforms in local development guidelines
Financing	• Increase in the home loan disbursements loan disbursals from Indian housing finance companies • Loan tenures have increased: 150 months (2001) to 173 months (2006) due to declining age of borrowers	• Larger mortgage penetration • Introduction of globally accepted instruments/modes such as REITs
Branding Penetration	• Low-commoditized market in most regions • Brand-consciousness growing in Tier-I cities	• Strong focus on brand development • Developers to have multiple brands focused on specific product segments
Product Focus	• Market driven product supply • Developers undertaking activities across asset classes with not much differentiation between product classes • More focus to cater to the premium end consumer	• Enhanced focus on need driven product supply • Emergence of firms with niche asset class focus
Ownership	• Developers prefer to exit through sale to end consumer • Only few large developers prefer to hold properties. Most developers prefer to sell	• Developers would start holding properties on a long-term lease basis

BUSINESS

Overview

We are a real estate development and construction company with focus on residential and commercial development in the cities of Pune and with presence in Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur. Our Promoter, Mr. Lalitkumar Jain has around three decades of experience in the real estate industry. In the past we and our promoter have undertaken all the real estate development under the brand name of “Kumar Builders”, a trademark owned by Mr. Lalitkumar Jain. Further, we have been successful in establishing relationship with financial investors such as Reliance Capital Limited in our Company. Additionally, ICICI Prudential and LSO Subco No. 4 / LREF Subco No.4 have invested in our Subsidiaries RVPPL and KBTVPL, respectively.

Our operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects. As on date, we have 14 Ongoing projects across four cities with 3.91 million sq. ft. of estimated Developable Area and estimated saleable area of 3.42 million sq ft. In addition, we have 50 Forthcoming Projects with 73.13 million sq. ft. of Developable area and estimated 64.14 million sq. ft. of Saleable Area.

We were incorporated in 1993 and pursuant to a restructuring of the entities in our group in 2006, we acquired majority interests in certain entities forming part of our group. These entities on a cumulative basis prior to our acquisition have developed 3.30 million sq. ft. and our promoter Mr. Lalitkumar Jain was a majority stakeholder in all these entities prior to us acquiring an interest in them. We started our operations in Pune and gradually expanded to cities like Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur.

We have completed 2.18 million sq. ft. of Developable Area since 2006 including 10 residential (including one-redevelopment project) and 7 commercial projects.

In the residential segment, our past developments include of high-end residential projects, mid-income as well as affordable housing projects..We have developed projects such as Kumar Sophronia in Mumbai, Hillscapes & Buena Vista in Pune under high-end residential space. Under mid-income housing segment, we have executed projects such as Kumar Angan and Kumar Sansar in Pune. Under affordable housing segment, we have developed projects such as and Kubera Sankul in Pune.

In commercial segment, we have developed office complexes such as Kumar Business Centre and IT parks such as Cerebrum IT Park in Pune. In retail space, we have developed shopping centres such as Fun-n-shop and K.K market in Mumbai and retail malls such as and Fun –n-Shop in Pune.

We have also undertaken a phased wise mixed development project which include a bungalow/villa scheme, a middle income group housing complex, an IT park and a luxury residential complex, and a mall located Kalyani Nagar, Pune.

In our residential projects, our main focus is on developing integrated townships, redevelopment of existing residential complexes and slum rehabilitation projects. Currently, we are undertaking redevelopment of existing residential, complex apartments in the city of Mumbai in addition to slum rehabilitation projects in Pune.

In our residential projects, our main focus is on developing townships which are integrated master planned communities in the mid to luxury segment, wherein we design, build and sell a range of properties including high rise buildings, villas, townhouses and apartments of varying sizes and in compliance with the applicable law permitting such township developments.

In our commercial projects, we are focused on developing, selling and leasing office and SEZ properties targeted at a wide range of customers from individual users and small companies to large corporates in various sectors including IT and ITES.

We have a team of 193 dedicated real estate professionals consisting of 64 engineers and architects who play an active role in supervising the development process from inception to completion of projects. Our marketing and sales teams comprising of 16 individuals, are responsible for managing customer relations. We outsource to external agencies semi-qualified and most of our undergraduate manpower requirements.

Our team has expertise in all stages of property development including land identification, market analysis, feasibility study, land acquisition, project planning, approvals procurement, development management, marketing and sales strategy and execution. We outsource elements of project management and construction to qualified third party vendors and consultants to complete the timely execution of our projects. Each of our projects and the consultants engaged by us for such projects are under constant supervision of our engineering, architectural and sales and marketing teams.

According to a survey conducted by the Construction World publication in July 2009, our Company was amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land, to procurement, construction and development of the projects and sales and marketing of our project, to operation of our completed projects.

We follow a business model based relying extensively on our areas of expertise and outsourcing the other areas. Thus, by leveraging our core expertise and aligning ourselves with third party experts who perform functions outside our core focus areas, we optimise the use of our resources.

Our Land Reserves may be broadly classified into lands for Ongoing and Forthcoming Projects. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of September 25, 2009, our Land Reserves spread across various cities across India are provided below:

City	**Land Area**	**Developable Area**		**Saleable Area***	
	*In acres**	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
	% of aggregate area				
Pune	1,142.42	59.12	76.9%	53.04	78.9%
Mumbai	24.32	2.21	2.9%	1.25	1.9%
Bangaluru	222.46	6.83	8.9%	5.05	7.5%
Hyderabad	157.79	1.79	2.3%	1.07	1.6%
Nagpur	121.2	6.69	8.7%	6.69	10.0%
Panchgani	33.47	0.22	0.3%	0.13	0.2%
Total	**1,701.66**	**76.86**	**100%**	**67.23**	**100%**

* *Area here refers only to the share of our Company or our subsidiaries or Other Development Entities except in relation to our redevelopment projects or lands where we have a revenue sharing arrangements.*

As of March 31, 2009, we had consolidated total income and consolidated net profit, as restated, of Rs. 2,391.26 million and Rs. 348.51 million, respectively and for the fiscal year 2008, we had consolidated total income and consolidated net profit, as restated, of Rs. 3,235.48 million and Rs. 676.04 million, respectively.

Strengths

Our principal competitive strengths include the following:

We rely on our brand name, reputation for quality and track record.

We believe that over the past decade, we have created a brand name that stands for quality, innovation, trust, values and ethics. Our significant experience in undertaking a project from start to finish has enabled us to establish a strong track record of designing and constructing a diverse range of projects. We have a track record of developing and constructing high quality and innovative projects in a timely manner. We have established dedicated teams and processes to bid for, design and engineer, procure materials for and construct our projects in a cost-effective and quality-controlled manner. In the past, our Promoter has undertaken all development under the logo of 'Kumar Group' a brand which has been there for over many years. Since 1999, our Projects have been marketed under the Brand name 'Kumar Builders', a trademark owned by our Promoters. Our past history and our ability to undertake over redevelopment projects is an indication of our reputation in the Mumbai real estate market.

We have been able to negotiate successfully with the current owner/occupants of various residential complexes, due to our past track record which prove our ability to them to undertake redevelopments. We have existing relationships with investors for two projects that are being undertaken by our subsidiaries, namely Riverview Properties Private Limited and Kumar Builders Township Ventures Private Limited. These relationships are an indication of their faith in our ability to execute such projects.

Experienced management team with strong track record

Our Chairman, Mr. Lalitkumar Jain, has about three decades of experience in real estate industry. Our management team consists of experienced and qualified professionals who have extensive experience in the development, sales and management of real estate. Our qualified and experienced management and technical teams have contributed to the growth of our operations and the development of in-house processes and competencies. Some of our key managerial personnel in the areas of operations, design and development, finance, marketing, engineering, legal, human resource, and business development, are qualified professionals, who are specialists in their respective business functions.

We believe that this experience gives us the ability to anticipate the trends and requirements of the real estate market, identify and acquire lands in locations where we believe there is demand, and design our properties in accordance with demanding customer trends. This ability is evidenced by the popularity of our completed and upcoming integrated lifestyle enclaves. See "Our Management" on page 150 and "Our Promoter" on page 165.

Ability to undertake large scale developments.

We believe we have the ability to undertake large scale projects like the development of townships or undertaking the development of SEZs. Our ability to acquire large parcels of land and in a contiguous manner at strategic locations enables us to undertake such developments which require large parcels of land. We believe that our experience and presence in real estate business enables us to acquire such lands at prices that we believe are moderate. For example, for the development of townships we require 100 acres of land with clear title or interest which we have successfully been able to aggregate.

Competencies in-house reduce dependence on external agencies.

We maintain in-house proficiency and expertise for every stage in a project development process, from the inception of the project, which involves identification of land parcels and conceptualization of the project, to the execution of the project, which involves planning, designing and overseeing the construction activities, culminating in property delivery, which involves interfacing our marketing and sales team with customers.
Our team comprises of personnel having experience in various aspects of the real estate business including land acquisition, obtaining approvals, understanding of the local regulations, research and feasibility studies, planning & estimation, liaision with various approving and sanctioning authorities, Inventory Management, Purchasing of raw materials at competent cost, Sales and Marketing of the projects. We have 64 engineers and architects and 16 personnel in the sale and the marketing teams.

The land acquisition process is handled by our land acquisition team who identify land at strategic locations to ensure that land is bought at low costs. Our planning team and research team is experienced in conducting research to identify suitable product-mix for a particular location. The design and development team and the project management team works internally and utilises external consultants, architects to execute the project in an efficient and timely manner. The marketing team works on creating awareness amongst customers / clients on the product-mix, its strengths and features.

Diversified offering in the real estate space.

We undertake a variety of development in the real estate space. We have delivered products in various segments/categories of real estate industry like residential and commercial. Our offerings are tailored for various price categories; and include middle income and high end customers. We also intend to undertake the development of township`s thereby providing our customers the option of choosing from a variety of offerings. The affordable homes that we have built enable us to have access to the middle class, which we believe is a large customer base in India. We lease our commercial real estate development to ensure there are stable cash flows during times of slowdown in the real estate industry.

Strategy

We intend to develop a range of properties in a number of cities in India to meet a diversified business model and to provide for increasing customer demands. The following are the key elements of our business strategy:

Acquiring land in locations having potential for growth.

We intend to continue acquiring land at strategic location across India for our projects in order to replenish and augment our Land Reserves. Our ability to acquire land at such locations where we believe there is potential for construction and development; is critical to our growth strategy and profitability. Therefore, we only seek to acquire parcels of land and development rights over land where we are certain of future development. We believe that the key to our success lies in the successful identification of appropriate parcels of land. We intend to enter into joint development agreements wherever possible in such location outside Pune and Mumbai to keep the costs involved towards the lands low. We may also pursue a land acquisition strategy at those locations which we believe there may be potential in the near future for growth. Since Pune is an IT hub and IT has been the main driver of the residential demand in Pune we have targeted such IT centric areas for development of integrated townships. We have been successful in acquiring contiguous parcels of land parcels at locations which have close proximity to the IT corridors of Pune like Hinjewadi and Kharadi. We have an IT/ITES notified SEZ near Phase I of Rajiv Gandhi Industrial Park at Hinjewadi.

Continue to develop mixed product offerings in a diverse range of price segments.

We intend to continue to focus on the development of residential products across different price-points. While we believe that the middle class offers the largest market for the affordable housing category, we also have products in the luxury and premium category like our mixed-use development under execution and our upcoming townships which therefore enable us to cater to different income groups. We believe that our ability to be able to offer our products to all price segments is key for our success. In addition to the residential offerings, we intend to continue to focus on commercial developments as the revenues from our commercial offerings enable us to sustain our business in lean periods where sales of residential units are low.

Continue to focus on redevelopment projects in Mumbai.

Our redevelopment projects being undertaken in Mumbai are very important to our future growth and success and we intend to continue to undertake such projects across the city of Mumbai. These redevelopment projects provide us with an opportunity to have access to lands at strategic locations in Mumbai where we otherwise could not have acquired interest; reach wider customer base; gain visibility; and earn a reputation of timely completing projects. We believe these redevelopment projects are capital efficient model as there is no commitment of large amounts toward acquiring interest in these land parcels. We have been successful in negotiating with various housing societies to provide them with redeveloped dwellings / accommodation (with extra area than the existing one) along with corpus to the society for maintenance and rentals during the period of re-development for alternate accommodation. We believe our past track record to have successfully bagged redevelopment projects and our ability to negotiate with societies will help us to bag more projects at low cost in future.

Enhance our design and construction capabilities.

As we continue to undertake large developments like our townships and SEZ developments, we intend to continuously further improve the quality of our real estate developments. We intend to undertake more activities in house to develop the expertise and thereby reduce the dependence on third parties. As we intend to undertake larger and more elaborate projects, we require our senior management and our internal support team to be able to handle such increased scale of operations for which our internal processes, applications and techniques must be professional as state of the art. As we will continue to seek to benefit from the use of advanced architectural techniques and construction materials, so as to create innovative, environmentally friendly and profitable developments, we intend to also source these from inside our organization. We have been working with well known architects to utilize their expertise for design and development of our various projects and intend to continue to do so.

Follow a lease and sale model for our commercial developments.

We intend to pursue a mixed strategy of building and selling our real estate properties as well as leasing commercial properties. Our decision to lease a property enables steady cash flows and thereby enables us to recover the amounts spent over a period of time. We may also pursue a sale of our commercial developments which have been leased and where there is an opportunity and a willing buyer. This model enables us counter market fluctuations and ensure cash flows. The sale of such leased assets in the past at a cap rate has allowed us to generate big volume cashflows which enabled us to expand our business.

Our Land Reserves

Our Land Reserves are land, where title of the land, interest in land or the possession of land is owned by our Company, our Subsidiaries or our Other Development Entities. They also include land in respect of which our Company, our Subsidiaries or our Other Development Entities have entered into an agreement, including a joint development agreement or a memorandum of understanding to purchase or develop land. It includes the total amount of Developable Area to be developed through Ongoing and Forthcoming projects.

As of September 25, 2009, these Land Reserves aggregate approximately to 1701.66 acres, for which we have made certain advance payments aggregating approximately Rs. 6353.45 million, and are further required to make an aggregate additional payment of approximately Rs. 657.63 million.

Our Land Reserves are located in and around Pune, Mumbai, Nagpur, Panchgani, Bengaluru and Hyderabad. The following is a summary of our Land Reserves as on September 25, 2009:

S. No	Land Reserves (Category wise)	Acreage)	% of total acreage	Estimated Developable Area (Sq.ft in millions)	% of Developable Area
(i)	Land Owned by the Company				
	1. By itself	42.36	2.49	0.39	0.51
	2. Through its Subsidiaries	322.23	18.94	21.74	28.29
	3. Through entities other than (1) and (2) above	29.68	1.74	1.89	2.46
(ii)	Land over which the Company has sole development rights				
	1. Directly by the Company	273.92	16.09	16.27	21.17
	2. Through its Subsidiaries	190.75	11.21	11.53	15.00
	3. Through entities other than (1) and (2) above	94.25	5.54	3.20	4.16
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance and/ or its group companies are parties, of which:				
	1. Land subject to government allocation	-	-	-	
	2. Land subject to private acquisition	509.45	29.94	15.80	20.56
(A)	***Sub-total (i)+(ii)+(iii):***	*1462.64*	*85.95*	*70.82*	92.14
	Joint developments with partners				
(iv)	Land for which joint development agreements have been entered into by:				
	1. By the Company directly	157.46	9.25	2.01	2.62
	2. Through the Subsidiaries	26.46	1.56	1.43	1.86
	3. Through entities other than (1) and (2) above	55.10	3.24	2.61	3.40
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	-	-	-	
(B)	***Sub-total (iv)+(v):***	*239.02*	*14.05*	*6.04*	*7.86*
(C)	***Total (i)+(ii)+(iii)+(iv)+(v):***	**1701.66**	**100.00**	**76.86**	100

(i) *Lands owned by the Company*

The lands that fall under this category are either owned by the Company in its own name, its Subsidiaries or Other Development Entities.

(i).1 By itself:

We own 42.36 acres of land in this category constituting 2.49% of our total Land Reserves located in Pune and Hyderabad. We have clear and marketable title and interest in these lands and we estimate to develop approximately 0.39 million sq. ft under this category.

As of September 25, 2009, we have paid approximately Rs. 76.90 million towards acquiring lands under this category and we have Rs. 6.39 million remaining to be paid towards the same.

(i).2 Through its Subsidiaries:

We own 322.23 acres of land in this category constituting 18.94% of our total Land Reserves located in Pune. Our Subsidiaries have clear and marketable title and interest in these lands and we estimate to develop approximately 21.74 million sq. ft under this category.

As of September 25, 2009, approximately Rs. 1890.27 million has been paid towards acquiring lands under this category and Rs. 68.27 million is remaining to be paid towards the same.

Out of the lands held under this category, our Subsidiary, RVPPL owns 103.33 acres, KBTVPL owns 108.42 acres, PMRPL owns 108.70 acres, LKDPL owns 0.80 acres and KHCL owns 0.98 acres.

(i).3 Through entities other than (i).1 and (i).2 above:

We hold 29.68 acres of land under this category which constitutes 1.74% of our Land Reserves located in Pune. This category comprises of lands that are owned by our Other Development Entities and consists of approximately 1.89 million sq. ft. of Developable Area. As of September 25, 2009, approximately Rs. 114.19 million has been paid towards acquiring lands under this category and Rs. 2.02 million is remaining to be paid towards the same.

Under this category, Kumar Builders, holds 10.26 acres of land, K.K. Erectors holds 6.78 acres of land and KBTV holds 12.64 acres of land under various agreements.

As on September 25, 2009, the aggregate value of all the agreements entered into under this category is Rs. 2158.04 million.

(ii) Lands over which the Company has the sole development rights

The lands that fall under this category are those over which the Company has sole development rights either through itself, its Subsidiaries or Other Development Entities.

(ii).1 Directly by the Company:

We directly hold the exclusive development rights to approximately 273.92 acres of land constituting 16.09% of our total Land Reserves in Nagpur and Pune. Of the said lands, we estimate to develop approximately 16.27 million sq.ft.

As of September 25, 2009, approximately Rs. 1005.00 million has been paid towards development of lands under this category and Rs. 15.38 million is remaining to be paid towards the same.

(ii).2 Through its Subsidiaries:

We have 190.75 acres of land in this category constituting 11.21% of our total Land Reserves in Pune and Panvel. This category comprises of lands in which our Subsidiaries have exclusive development rights. Of the said lands in this category, we estimate to develop approximately 11.53 million sq.ft.

As of September 25, 2009, approximately Rs. 1610.75 million has been paid towards development of lands under this category and Rs. 115.70 million is remaining to be paid towards the same.

Under this category, our Subsidiaries, PMRPL, KBTVPL, KHCL, PTDPL and KSDL have exclusive developments rights in 44.63 acres, 7.19 acres, 46.58 acres, 13.05 acres and 79.3 acres of land respectively.

(ii).3 Through entities other than (ii).1 and (ii).2 above:

We have 94.25 acres of land under this category constituting 5.54% of our Land Reserves in Pune. This category comprises of lands in which our Other Development Entities have exclusive development rights pursuant to development agreements entered into with various parties. Out of the said lands, we estimate to develop approximately 3.2 million sq. ft. As of September 25, 2009 we have paid Rs. 99.91 million towards the development of these lands and Rs. 49.00 million is remaining to be paid towards the same.

Under this category, our Other Development Entities, Kumar Builders Consortium, Kumar Builders, Kumar Beharay Rathi, OmVed Turnkey Project Developers and Kumar Sons have exclusive development rights in 28.90 acres, 1.47 acres, 12.40 acres, 46.55 acres and 0.85 acres of land respectively.

Additionally, G.H. Developers, one of the partners of K.G. Ventures, in which our Subsidiary KHCL has 65% share in the profit/loss has exclusive development rights in 4.08 acres of land.

As on September 25, 2009, the aggregate value of all the agreements entered into under this category is Rs. 2795.83 million.

(iii) Memorandum of Understanding/Agreements to Acquire/Letters of Acceptance to which Company and/or its Subsidiaries and/or its group companies are parties, of which:

This category includes lands to be acquired under memorandums of understanding or agreements to sell either by government allocation or by way of private acquisition.

(iii).1 Land subject to government allocation:

None of our lands are subject to government allocation.

(iii).2 Land subject to private acquisition:

Approximately 509.45 acres of land, constituting 29.94% of the total Land Reserves are held under this category and located in Nagpur, Pune, Bengaluru, Hyderabad and Panvel. This category comprises of lands which have been agreed to be purchased by our Company or our Subsidiaries or our Other Development Entities by entering into a memorandum of understanding or an agreement to sell with the owners of the lands. Of the said lands, our Company directly and through its Subsidiaries expects to develop approximately 15.80 million sq.ft. As on September 25, 2009, we have paid a sum of Rs. 470.49 million towards the purchase of these lands and Rs. 400.87 million is remaining to be paid towards the same.

Under this category, our Company has agreed to purchase 264.21 acres of land. Our Subsidiaries, RVPPL, LKDPL, PMRPL, KHCL and KBTDPL have agreed to purchase 1.14 acres, 9.91 acres, 76.29 acres, 21.25 acres and 49.25 acres respectively. Our Other Development Entities, Kumar Builders and OmVed Turnkey Project Developers have agreed to purchase 18.06 acres and 69.34 acres respectively.

We have additionally entered into a letter of intent with Khira Nagar Co-operative Housing Societies Association Limited dated January 1, 2007 for redevelopment.

Some of the agreements under this category include MOUs entered into by PMRPL with the following land owners; dated February 17, 2006 with Macchindra E. Sakhare and others; dated February 20, 2006 with Hirabai R. Sakhare ; dated May 30, 2006 with Pradeep G. Kumar and others ; dated July 19, 2006 with Sanjay W. Sathe and others ; dated February 17, 2006 with Dattatraya M. Janbhulkar ; dated May 08, 2008 with Namdeo D. Sakhare and others ; dated June 17, 2008 with Balu K. Sakhare and others ; dated June 17, 2008 with Antu K. Sakhare and others.

As on September 25, 2009, the aggregate value of all the agreements entered into under this category is Rs. 1330.63 million.

(iv). *Land for which joint development agreements have been entered into by*:

This category includes the lands for which joint development agreements have been entered into by the Company, its Subsidiaries or Other Development Entities.

(iv).1 By the Company directly:

We hold 157.46 acres of land in this category constituting 9.25% of our Land Reserves in Bengaluru, Hyderabad and Pune. This category comprises of lands to which our Company has joint development rights with various parties. In certain of the projects on these lands, we have a product based sharing model. Therefore, the developed area that we are entitled to varies for commercial and residential sections. Out of the said lands, we estimate to develop approximately 2.01 million sq. ft. As of September 25, 2009, we have paid certain amounts as an advance under these agreements aggregating to Rs. 120.98 million towards the development of these lands and these advance amounts will be adjusted towards our future sales.

(iv).2 Through its Subsidiaries:

We hold 26.46 acres of land in this category constituting 1.56% of our Land Reserves in Pune. This category comprises of lands to which our Subsidiaries have joint development rights pursuant to development agreements entered into with various parties. Out of the said lands, we estimate to develop approximately 1.43 million sq. ft. As of September 25, 2009, we have paid certain amounts as an advance under these agreements aggregating to Rs. 20.56 million towards the development of these lands and these advance amounts will be adjusted towards our future sales.

Under this category, PMRPL has joint development rights in 23.49 acres and PTDPL has joint development rights in 2.97 acres of land.

(iv.).3 Through entities other than (iv).1 and (iv).2 above:

We have 55.10 acres of lands under this category constituting 3.24 % of our Land Reserves in Mumbai, Pune and Bengaluru. This category comprises of lands to which our Other Developments Entities have joint development rights. Out of the said lands, we estimate to develop approximately 2.61 million sq. ft As of September 25, 2009, we have paid certain amounts as an advance under these agreements aggregating to Rs. 944.40 million towards the development of these lands and these advance amounts will be adjusted towards our future sales.

With respect to majority of the lands under this category, we or our Subsidiaries or our Other Development Entities have entered into redevelopment agreements with various societies and also the Government of Maharashtra to redevelop the property owned by them, by demolishing the building standing on such property and constructing new mulit-storeyed building/s on such property. The self contained flats in the new multi-storeyed building/s constructed on the property, is allotted free of cost to the members, as permanent alternate accommodation in lieu of their existing tenements in the building and remaining flats in the new multi-storeyed building/s on the said property are sold to other purchasers who are admitted as members of the society. For the purpose of redevelopment of these societies, we deposit a fixed corpus amount with the concerned society and also pay a monthly rent to the tenants of the society during the period of redevelopment.

Under this category, we have joint development rights in 0.20 acres and our Subsidiary, KHCL has joint development rights in 3.11 acres of land. Our Other Development Entities, Kumar Builders, Kumar

Builders Mumbai, Suryodaya Estates and Kumar Urbana have joint development rights in 42.68 acres, 2.53 acres, 2.35 acres and 4.23 acres of land respectively.

As on September 25, 2009, the aggregate value of all the agreements entered into under this category is Rs. 1085.94 million.

(v). Proportionate interest in lands owned indirectly by the Company through joint ventures

We do not hold any lands under this category.

Our Business and operations

We are a real estate development company engaged in the construction and development of residential and commercial projects. Our projects are classified into the following six categories:

(a) Residential projects;
(b) Integrated Township projects;
(c) Redevelopment projects;
(d) Slum rehabilitation;
(e) SEZ project; and
(f) Commercial projects.

Our residential projects typically comprise of apartment buildings together with amenities like swimming pool, sports complex, children's play area, clubhouses and gymnasiums and cater to all income segments of the society. We intend to continue our focus on affordable housing, which we believe to constitute a large segment in the Indian real estate market. We have also undertaken the development of housing in the luxury segments, which cater to the high-income group.

We also to intend to undertake large township projects, which are conceptualized as integrated self-contained communities comprising of independent plots or fully built up structures and include amenities compulsorily required under the relevant laws like educational institutions. One of the most notable features of our township projects which make it massive is that each of them is developed on an unbroken, continuous piece of land of not less than 100 acres.

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Our commercial projects primarily consist of office and retail spaces mostly designed to be leased to companies for office use. Our Forthcoming commercial projects also include an ITES-SEZ in Hinjewadi, Pune.

Our redevelopment projects undertaken by us in the city of Mumbai provide us with an opportunity to acquire developable urban lands in certain prime locations. We undertake to demolish and rebuild old or dilapidated apartment buildings thereby providing the owners new apartments in the same premises while being entitled to additional area to be developed.

Our Completed Projects

Our completed projects primarily consist of typical residential projects comprised of apartment blocks accompanied by necessary modern amenities. Post consolidation of some of our group entities in 2006, we have developed 7 commercial projects and 10 residential projects (including one redevelopment project) aggregating to a total of 2.18 million sq. ft. of Developable Area.

Our completed residential projects

We have completed the construction and development of 10 residential projects (including one redevelopment project) in Pune and in Mumbai aggregating to approximately 1.12 million sq. ft. of Developable Area.

The details of our key completed residential projects including the year of their completion, the geographical location, and the Developable Area comprised have been set out below.

Kumar Surakasha: Our Company completed the construction of Kumar Surakasha in 2005 measuring 0.18 million sq. ft. of Developable Area. This housing complex was dedicated to the armed forces as a gesture of respect to the soldiers who fought the 'Kargil War'. The theme of the project was to allow the families of the armed forces to enjoy all the benefits of "Service Living" in the private sector.. It consists of a society of 2 and 3 bedroom flats with terraces and all the modern amenities. The society consists of 5 buildings has 140 flats in total. The two and three bedroom flat include a terrace.

Kumar Sophronia, Pune: We have developed Sophronia through our subsidiary KHCL in Kalyaninagar, Pune measuring 0.24 million sq. ft. of Developable Area. The complex comprises of six buildings consisting of 2 and 3 bedroom apartments. The complex comprises of a total of 150 flats. The 2 bedroom flats and the 3 bedroom flats include a terrace. This amenities range from a stilt party lounge to a crèche and an amphitheatre as well as a children's pool, a bubble pool and a large lazy pool.

Kumar Sophronia, Mumbai: We bought an existing structure at Byculla and developed the property after demolishing the existing structure. This project was undertaken through Kumar Builders, a partnership firm in which we have a majority stake. It comprises of a 14 storey building and was one of our most important projects. It includes amenities like car-parking space, a penthouse on top floor and a podium with garden, swimming pool, gymnasium among other amenities. The total comprises of 0.04 million sq. ft. of Developable Area and comprises of 16 flats and 4 duplexes.

Our completed commercial projects

We have completed 7 commercial projects through our various companies aggregating 1.06 million sq. ft. Developable Area.

The commercial projects completed by us provided below:

Sl.No	Name of project / location	location	Developable Area (in sq. ft.)
1.	Kumar Fun n Shop (Phase I)	Pune	60,000
2.	Cerebrum - B1	Pune	385,000
3.	Cerebrum - B2	Pune	252,000
4.	Kumar Fun n Shop (Phase II)	Pune	41,820
5.	Cerebrum - B3	Pune	251,000
6.	Kumar Business Centre	Pune	49,000
7.	Fun n Shop Hindmata	Mumbai	20,492
		TOTAL	**1,059,312**

The details of some of our key completed commercial projects are provided below:

Kumar Business Centre – We developed this business centre through (Kumar Sons) and is located at Bund garden, Pune a prime commercial area of Pune. Kumar Business Centre consists of ten floors measuring 0.05 million sq. ft. of Developable Area. The building is located in the centre of the city and is well connected to important business locations and has close proximity to the airport and railway stations. The building has specifications like high-speed elevators, glass alucomate, provision for A/C, optic fibre network, Genset Backup, EPABX system, earthquake resistant design with Seismic - 3 Zone, among others.

Cerebrum IT park: The Cerebrum IT park was constructed in three phases consisting of three towers. It is located in Kalyani (an IT park at Kalyani Nagar, Pune with features like large floor plates with wide column grid, broadband connectivity, 100% generator back-up, high-speed elevators among other features).

Our Ongoing Projects

We are currently carrying on the development of 14 Ongoing Projects across 4 cities in India which include nine in Pune, four in Mumbai and one in Bengaluru. Our Ongoing Projects consist of seven residential, two commercial/retail projects, and one rehabilitation projects and four redevelopment project.

Sl. No.	Project Name / location	Location	Developing Entity	Type of Project	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
1	Kumar City Rowhouses	Kalyani Nagar, Pune	Kumar Housing Corporation Limited	Residential	0.04	0.04
2	Windsor Park	Panchgani, Mahabaleshwar	Kumar Builders	Residential	0.22	0.13
3	Kubera Sankul	Hadapsar, Pune	Kumar Beharay Rathi	Residential	0.25	0.25
4	Kumar Shantiniketan Phase 1	Pashan, Pune	Kumar Builders Consortium	Residential	0.45	0.45
5	Kumar Kruti Phase 1	Kalyani Nagar, Pune	Kumar Housing Corporation Limited	Residential	0.49	0.49
6	Kumar Sublime	Kondhwa, Pune	Kumar Builders Consortium	Residential	0.11	0.11
7	K K Market	Satara Road, Pune	K K Erectors	Commercial /Retail	0.47	0.30
8	Kidopia	Adambaug, Saras Baug, Pune	Our Company	Commercial /Retail	0.02	0.01
9	45 Nirvana Hills	Karve Road, Pune	Kumar Sinew Developers Limited	Slum Rehabilitation	1.00	1.00
10	The Orion Residency	Irla, Mumbai, Mumbai	Kumar Builders	Redevelopment	0.15	0.06
11	Buena Vista	Kher Nagar, Mumbai	Kumar Builders	Redevelopment	0.05	0.03
12	Kumar Tangrine	Ghatkopar, Mumbai	Kumar Builders	Redevelopment	0.02	0.01
13	Kumar Tudor	Goregaon, Mumbai	Kumar Builders	Redevelopment	0.28	0.15
14	I Life	Bengaluru	Kumar Urbana	Residential	0.18	0.06
				TOTAL	**3.91**	**3.42**

Residential projects

We are presently developing seven residential projects in Bengaluru and Pune covering approximately 1.74 million sq. ft. of Developable Area and 1.53 million sq. ft. of Saleable Area.

Some of our key ongoing residential projects are described below.

Kumar Kruti: We are developing Phase 1 of this project located in Kalyani Nagar through Kumar Housing Corporation Limited. It consists of five buildings of 12 storeys each and consists of 2 - 3 bedroom flats ranging from 1000 to 1500 sq. feet. Some of the key amenities include a community hall, barbeque corner, amphitheatre, gymnasium, club house, swimming pool.

Kumar Shantiniketan: We are developing Phase 1 of this project located in Baner-Pashan link road through Kumar Builders Consortium. The project comprises of eight buildings of 11 storeys each and consists of 2 - 3 bedroom flats ranging from 1000 to 1500 sq. feet.

Kumar Sublime: We are developing this project situated at Kondhwa, Pune through Kumar Builders Consortium is developing Kumar Sublime and comprises of 4 buildings of 11 storey each and consists of 2 - 3 bedroom flats and is an eco friendly project with emphasis placed on natural lighting.

Commercial projects

We are presently developing two commercial projects in Pune aggregating 0.49 million sq. ft. of Developable Area and 0.31 million sq. ft. of Saleable Area.

Some of our key ongoing commercial projects are provided below.

Kidopia: Our Company is developing this Project which is located at Pune. The project has a special section for kids and will have a kids gaming zone and also an audio-visual hall with seating facility. It also has mid-size budget offices.

KK Market: We are developing this project through K. K. Erectors which is a shopping mall and a shopping cum entertainment facility. The Mall is situated at along the Pune - Satara Road, at Pune. We intend to have factory outlet stores of various brands in addition to small office places.

Redevelopment projects

We are undertaking four redevelopment projects in Mumbai aggregating approximately 0.50 million sq. ft. of Developable Area and 0.25 million sq. ft. of Saleable Area.

The details of the some of our key redevelopment projects have been set out in the table below.

Kumar Tudor: We are developing this project through Kumar Builders. The Manav Kalyan Co-operative Housing Society Limited consists of 10 (Ten) buildings and this property is situated in Goregaon, Mumbai. There are 160 tenements in these 10 buildings and while each flat is measures 465 sq. ft. we have decided to provide each member an area of around 729 sq. ft..

The Orion Residency: We are developing this project through Kumar Builders. New Sarvottam Co-operative Housing Society Limited has three residential buildings and is located in Vile Parle. There are a total of 117 tenements in these three buildings. The society is being given a corpus and rent on a per sq. ft. basis which has to be paid to the members of the society till the construction is completed.

Our Forthcoming Projects

Our Company has initiated the process for planning and commencing the development of 50 Forthcoming Projects across five cities, Mumbai, Pune, Nagpur, Hyderabad and Bengaluru aggregating to 73.13 million sq. ft. of Developable Area and 64.14 million sq. ft. of Saleable Area. As part of our Forthcoming Projects, we propose to develop 16 residential projects; eight townships; six commercial projects; one SEZ project; 17 redevelopment projects and two slum rehabilitation projects.

The details of our Forthcoming Projects, their locations, the developing entity and the Developeable and Saleable Area are set out in the table below:

Our residential projects

The details of our residential projects are

Sl. No.	Project Name/location	Location	Developing Entity	Developable Area (in million sq. ft.)	Saleable Area* (in million sq. ft.)
	<u>Residential Projects</u>				
1	Kumar Shantiniketan Ph 2	Pune	Kumar Builders Consortium	0.45	0.45
2	Kumar Takshashila	Pune	Kumar Builders Consortium	0.49	0.49
3	Kumar Reflection	Pune	Kumar Builders Consortium	0.85	0.85
4	Kumar Solo	Pune	Kumar Builders	0.66	0.66
5	Kumar Seraphic	Pune	Kumar Urban Development Limited and Kumar Builders Consortium	0.57	0.57
6	Kumar Anand	Pune	Kumar Builders	0.43	0.43
7	Kumar Cove	Pune	Kumar Housing Corporation Limited	0.35	0.35
8	Kumar Buena vista	Pune	Kumar Builders	0.04	0.04
9	Kumar Elements 1 - 22	Pune	Kumar Builders and PMRPL	1.85	1.85
10	Kumar Vasundhara	Pune	PMR	1.04	1.04
11	Kumar Puram	Pune	Kumar Housing Corporation Limited	0.03	0.03
12	Kubera Colony	Pune	Kumar Beharay Rathi	0.04	0.04
13	Kumar Samiksha	Pune	Kumar Builders	1.16	1.16
14	Kumar Shaurya	Pune	Kumar Housing Corporation Limited	0.71	0.71
15	Kumar Echelon	Mumbai	Suryodaya Estates	0.57	0.34
16	Kumar Coteur	Mumbai	Kumar Builders	0.16	0.13
			TOTAL	**9.39**	**9.14**

** The saleable area refers to the proportionate we have in the lands or the proportionate interest that accrues to our Company pursuant to its stake in the land holding entity.*

Some of our key residential projects are provided below

Kumar Coteur: We are developing the project through Kumar Builders at Worli, which is located in the vicinity of Worli Sea-link. The project is targeted at the premium luxury segment and we intend to construct a high rise building. We intend to construct a car park in every floor will have a number of amenities like swimming pool, club house among others.

Kumar Echelon: We are developing the project through Survodaya Estates which is located at Tardeo. We intend to develop a high-rise tower at Tardeo. The project will be a 62 storeyed tower with multi-storey public parking where the first habitable floor starts at 12th floor and we propose to benefit from the new public parking norms laid down by the Municipal Corporation of Greater Mumbai.

Our Commercial projects

Sl. No.	Project Name / location	Location	Developing Entity	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
	Commercial Projects				
1	Fun n Fare	Pune	Kumar Housing Corporation Limited	0.56	0.56
2	Kumar Trillion	Pune	Kumar Builders	0.06	0.06
3	Kumar Escapade	Pune	Kumar Housing Corporation Limited	0.17	0.17
4	KBC Extension	Pune	Kumar Sons	0.02	0.02
5	Kumar Ashok	Pune	K G Ventures	0.34	0.22
6	Kumar Radius	Pune	Kumar Housing Corporation Limited	0.02	0.02
			TOTAL	**1.17**	**1.05**

Our township projects

Sl. No.	Project Name / location	Location	Developing Entity	Developable Area (in million sq. ft.)	Saleable Area* (in million sq. ft.)
	Township Projects				
1	Kumar Ecoloch	Pune	Pune Mumbai Realty Pvt. Ltd	5.21	5.21
2	Kumar Espanada	Pune	L. K. Developers Pvt. Ltd.	5.93	5.93
3	Kumar Savanna	Pune	Kumar Urban Development Limited	5.62	5.62
4	Ecovale, Pune	Pune	Riverview Properties Pvt. Ltd.	5.81	4.88
5	Kumar Alameda	Pune	Pune Technopolis Pvt Ltd	6.81	6.81
6	Kumar Ecovale, Bangalore	Bangalore	Kumar Urban Development Limited	6.65	4.99
7	Kumar Ecovale, Hyderabad	Hyderabad	Kumar Urban Development Limited	1.79	1.07
8	Kumar Ecovale, Nagpur	Nagpur	Kumar Urban Development Limited	6.69	6.69
			TOTAL	**44.51**	**41.20**

** The saleable area refers to the proportionate we have in the lands or the proportionate interest that accrues to our Company pursuant to its stake in the land holding entity.*

Some of our key township projects are provided below:

Our subsidiary, RVPPL is developing a township, Kumar Ecovale, at Mahalunge near Hinjewadi. The land for the project has already been acquired and letter of intent and locational clearance for setting up the township under the Maharashtra Township Policy has already been obtained from the Maharashtra state government authorities.

We intend to commence construction once we obtain plan sanctions for development. The proposed township shall include residential dwellings targeted at all classes of residential segment. This integrated township will also include facilities / amenities as required under the township norms, like setting up of educational facilities, utility shopping and medical facilities like hospitals among others. The township is targeted to exploit the demand for housing arising from the IT corridor situated near the township.

Our subsidiary, LKDPL is developing a township, Kumar Espanada at Manjri- Khurd, near Kharadi. The land for the project has already been acquired and letter of intent and locational clearance for setting up the township under the Maharashtra Township Policy has already been obtained from the state government authorities.

We intend to commence construction once we obtain plan sanctions for development. It has been proposed to develop an integrated township project which would include residential dwellings targeted at the middle income group under the 'affordable segment'.

Our Company intends to develop a township in Khadka village, Nagpur and the land for the project has already been acquired and applications have been made to obtain other approvals for development.

Our SEZ project

Sl. No.	Project Name / location	Location	Developing Entity	Developable Area (in million sq. ft.)	Saleable Area* (in million sq. ft.)
	SEZ Projects				
1	Cerebrum Hinjewadi, IT SEZ	Pune	Kumar Builders Township Ventures Private Limited	10.74	6.77

** The saleable area refers to the proportionate share we have in the lands or the proportionate interest that accrues to our Company pursuant to its stake in the land holding entity.*

We are developing the SEZ project in Hinjewadi through our subsidiary, Kumar Builders Townships Ventures Private Limited, as an Integrated IT/ITES-Product Special Economic Zone. It is located near the Mumbai-Pune Expressway. We have obtained the in-principal approval to set-up and IT/ITES specific SEZ. Around 27.11 acres have already been notified by the Central Government. The company is currently waiting for the plan sanction by the approving authorities to commence construction. The project would comprise of processing area with incubation centre, IT buildings, Built-to-suit campuses etc. The Non-processing area would have residential buildings to meet the demand of the huge IT population working in the processing areas as well as the nearby IT zone.

Our Redevelopment projects

The details of our redevelopment projects are as follows

Sl. No.	Project Name / location	Location	Developing Entity	Type of Project	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
	Redevelopment Projects					
1	Kumar Elegance	Mumbai	Our Company	Redevelopment	0.02	0.01

Sl. No.	Project Name / location	Location	Developing Entity	Type of Project	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
2	Kumar Court	Mumbai	Kumar Builders Mumbai	Redevelopment	0.04	0.02
3	Kumar Kudos	Mumbai	Kumar Builders Mumbai	Redevelopment	0.04	0.02
4	Kumar Magnum	Mumbai	Kumar Builders	Redevelopment	0.03	0.01
5	Kumar Manor	Mumbai	Kumar Builders Mumbai	Redevelopment	0.10	0.05
6	Kumar Nest	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
7	Kumar Radiance	Mumbai	Kumar Builders	Redevelopment	0.04	0.03
8	Kumar Sublime	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
9	Kumar Palace	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
10	Kumar Mansion	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
11	Kumar Classic	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
12	Kumar Iris	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
13	Kumar Maple	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
14	Kumar Lilace	Mumbai	Kumar Builders	Redevelopment	0.03	0.02
15	Kumar Straia	Mumbai	Kumar Builders Mumbai	Redevelopment	0.17	0.07
16	Kumar Elixir	Mumbai	Kumar Housing Corporation Limited	Redevelopment	0.23	0.13
17	Kumar Aura	Mumbai	Kumar Builders Mumbai	Redevelopment	0.08	0.04
			TOTAL		**0.98**	**0.53**

Slum Rehabilitation projects

Sl. No.	Project Name	Location	Developing Entity	Type of Project	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
	Slum rehabilitation Projects					
1	Kumar Kusum	Pune	Kumar Housing Corporation Limited	Re-habilitation	0.14	0.14

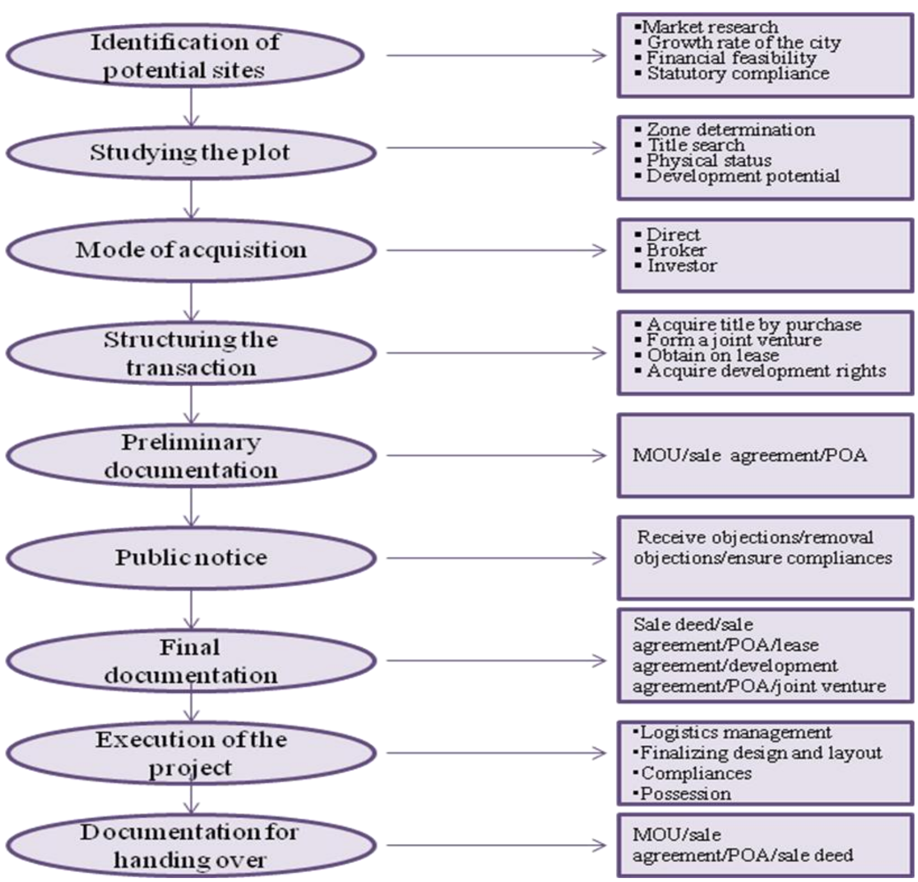
Sl. No.	Project Name	Location	Developing Entity	Type of Project	Developable Area (in million sq. ft.)	Saleable Area (in million sq. ft.)
2	45 Nirvana Hills – Phase II	Pune	Kumar Sinew Developers Limited	Re-habilitation	6.2	5.00
			TOTAL		6.34	5.14

Our Project Development Cycle

Our project development cycle is divided into clearly defined stages and are executed through a systematic allocation and assignment of tasks primarily between our teams under the guidance and supervision of our senior management who have valuable experience in the real estate industry. Our project development cycle may be divided several stages namely, identification of potential sites which involve studying the plots, determining the mode of acquisition, appraisal of applicable laws and obtaining of requisite approvals, deciding the structure of the transaction by which the title/development rights in the site is proposed to be acquired, completing the preliminary documentation and issuing public notice to obtain 'no-objection' and removing objections if any, final documentation, execution of the project, marketing, sales and customer relations, completion and handing over.

We have explained the process through the following flow chart:

Project Development Cycle



Identification of potential sites

In real estate business it is crucial to identify potential sites after evaluating its demographic trends. This entails knowledge about the market trends and tendencies. We rely on the experience of our senior management to evaluate the potential of a site and to make an informed decision as to the suitability of a location for the proposed purpose of development.

We have a market research team dedicated to undertake research on the market trends and to collect relevant market data on the possible prospects while choosing a particular location for development. Our finance team also evaluates the financial feasibility of the project taking into account all the factors like market trends, project cost and expected returns.

Once the financial feasibility is determined to be satisfactory the next stage in the development process would be that of ensuring statutory compliance. The real estate sector is subject to a number of statutory compliances prescribed by various legislations.

Our project team in consultation with our legal department evaluates the statutory and other compliance requirements as may be applicable to a particular project. This includes assessing the feasibility of compliance costs like the cost of applying and obtaining various approvals and consents from concerned authorities and obtaining clearances for the project from various government departments.

Studying the plot

At the site identification stage a plot study is undertaken which includes determining the zone in which the land falls under and studying the surroundings and tracing the history of the land to determine its title. This requires a thorough examination of the title records and documents to examine the title of the owner and his right to deal in the land.

Further, our project team conducts a detailed study of the development potential of the plot including the kind of project to be developed, deciding the scale of the project. The final decision in this regard is taken by our senior management based on the results of the study conducted by our land acquisition, project and finance teams and the reports/presentations made by them.

Mode of acquisition

The land may be acquired through a broker or an investor or directly by us. The same is critical for us as this enable us accordingly plan our strategy.

Structuring the transaction and preliminary documentation

The next crucial step in launching a project is to apply for all requisite approvals, consents and clearances from various governmental and statutory authorities as may be applicable depending on the location and nature of the land.

These typically include approvals of plan sanctions, commencement certificates, approval for conversion of land use, clearances/no-objection certificates from various government authorities, airport authorities, fire authorities and the pollution control boards. Further, a project may also require approvals related to infrastructure facilities such as power and water. For a detailed description of the legal requirements applicable to our projects, see the section titled ‘Regulations and Policies’ on page 124.

Based on the reports and studies submitted by out project and finance teams, our senior management makes the decision as to the best and most financially viable means of acquiring the title to the land or they may decide to acquire only the development rights in cases where acquisition of title is not feasible.

The project team evaluates different models of structuring the acquisition process to identify the most cost effective and viable structure of development which may include entering into a joint venture or partnership with the land owner and thereby obtaining development rights, obtaining the land on lease and acquiring sole development rights or purchasing the land by executing a sale deed and thereby acquiring all the rights, title and interests in the land.

A joint venture agreement is an agreement whereby two or more parties agree to jointly invest in an entity for the development of a property. Typically, these joint venture entities are funded by way of equity capital contributions by each of the partners in proportion to their interest in the joint venture entity. The land proposed to be developed is owned by the joint venture entity.

The revenues generated by the project are usually shared among the joint venture partners by way of dividend distributions, in proportion to the partners' equity contributions to the joint venture entity. We generally enter into Joint Venture agreements with Landowners of large contiguous Land parcel. We provide security deposits initially to the landowner as part of our commitment which is refundable against the revenues of the projects.

Therefore, this stage involves the finalisation of the nature and structure of the transaction by which our Company shall obtain the rights in the title or development rights in the plot of land. The next step in the process is the preparation of preliminary documentation and this takes the whole project development cycle to a more tangible level. Depending on the structure charted out by our project team, this could include entering into a sale agreement to purchase the land or a memorandum of understanding as a first step towards procuring the land or a power of attorney executed in favour of our Company typically granting us the rights to develop the lands and sell the final units.

Public notice and final documentation

As the next step, we issue a public notice in the local newspapers to receive objections to the proposed development project and on receipt of any objections we deal with them in a considered manner and ensure that the objections are removed to our satisfaction.

Once all the objections are removed we set our minds to the final documentation process which involves entering into a sale deed, directly or through a nominee, to purchase the land or entering into a sale agreement, a power of attorney, a lease agreement, development agreement or a joint venture agreement as the case may be depending on the structure we have arrived at.

Execution of the project

On entering the project execution stage, we take the project to the final stages of its development cycle which begins with finalizing the designs, the detailed layouts and plans which is the responsibility of our engineers and architects.

Once the designs and plans are finalized we undertake a thorough assessment of the requirements of manpower, machinery and materials and arrive at a projected cost for the execution of the project and we chart out the most cost effective and quality controlled method of execution. Once this is completed, we commence the construction work under the supervision of our project and site engineers and architects.

As soon as the construction work of the project commences, we also simultaneously engage in a number of promotional activities for the project including advertising, exhibitions, distribution of brochures and direct promotional activities like getting in touch with potential customers and informing them of our project and its suitability for their requirements.

The pricing of a project is arrived at after considering the prevailing market conditions and trends, the competitive landscape and the nature of the project.

Documentation for handing over

On the completion of the project, we hand over the units to the final buyers or the licensees in case of a leave and license structure as in our commercial/retail projects and this involves documentation like entering into a memorandum of understanding, sale deed, a sale agreement or power of attorney. Simultaneously with the handing over of the units, we also receive the full consideration amount.

Our Competitors

We face competition from various domestic and international property developers. We face increased and tougher competition as we seek to expand our presence in new geographies where we face the risk of having to compete with competitors having a pan-India presence as well as other competitors having an already well established presence in the various local markets who may enjoy better relationships with the land owners and international joint venture partners. This may help them gain early access to information regarding attractive parcels of lands and may be in a better position to obtain the rights in such lands. Our competitors include large corporate and small real estate developers in the regions where we operate and intent to expand to.

We believe that competition in our industry is based on a variety of factors, including product pricing, quality, market formation, customer relation, brand reputation, local relationships and the financial resources of market participants. Although we face competition from entities that may have stronger local relationships and greater financial resources (and may be competitive on all of the above bases), we strive to compete with them on the basis of all of these factors and we believe competition is indispensable in any business and is the key to better output.

Health, Safety and Environment

We have implemented a number of precautionary measures to guarantee the safety of our projects, including ensuring that the structural design and construction are carried out in accordance with the National Building Code and all other applicable laws, as stipulated by the Bureau of Indian Standards; designing and constructing the projects for the appropriate seismic loads and wind pressure; constructing the projects in accordance with fire safety norms and to protect against flooding.

Our Work Force

Our registered office is situated in Pune from where we manage and coordinate our corporate and business operations. Our employees are not covered by any collective bargaining agreements. We also have arrangements with various agencies for our recruitment processes. We have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we have been maintaining cordial relations with our employees. We believe our employees are satisfied with the working environment and their job entitlements and benefits.

Our employees include personnel engaged in management, administration, auditing, finance, sales and marketing, properties and legal functions.

As of September 25, 2009 we have 193 permanent employees.

Function	No. of employees
Management	23
Administration	7
Technical	108
Auditing and finance	14
Sales and marketing	16
Procurement	6
Others	19
Total	193

For the purpose of development of our properties, we engage consultant engineers and architects for our projects.

Intellectual property

We have entered into a trade mark license agreement dated April 5, 2006 with Mr. Lalitkumar Jain, the owner of the registered trademark "Kumar Builders" for the right to use the said trademark in our business.

Insurance

Our operations are subject to hazards inherent to the real estate industry, such as work accidents, fire, earthquake, and flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Therefore, we insist on our contractors obtaining insurance for the projects that they are contracted for. We believe that our level of insurance is generally in line with industry practice in India.

Office Properties

Our registered office is located at Kumar Capital, 2nd Floor, 2413, East Street, Pune 411 001 which we have obtained on leave and licence from its owners, Mr. Lalitkumar Jain and Mrs. Madhu Lalitkumar Jain. We also have offices at various projects where we are undertaking our projects

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and policies in India and in Maharashtra, Karnataka and Hyderabad and the respective bye laws framed by the local bodies incorporated under the laws of these States. The information detailed in this section has been obtained from the various local legislations and bye laws of the respective local authorities that are available in the public domain. The regulations set forth below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The real estate and construction sector in India is governed by central and State legislations that regulate the substantive and procedural aspects of the acquisition and transfer of land and the construction of housing and commercial establishments.

The real estate and construction industry in India operates in a largely fragmented manner, with each State prescribing its own regulations. We are limiting the discussion herein to laws and regulations, which are currently applicable to us for carrying on our business in the State of Maharashtra, Karnataka and Andhra Pradesh. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India. We are broadly subject to laws which provide for the acquisition of land, its registration and related aspects like payments of stamp duty, local legislation providing for the regulation and supervision of building and residential premises and certain other State specific laws.

Given below is a brief description of the various legislations, including central and State legislations that are currently applicable to the business carried on by us.

Constitution of India

The Constitution of India, in Schedule VII provides the list of the various fields of legislation in which the union, the State and the union and State are allowed to make laws. The fields of legislation as specified in the union list allow the Union of India to make laws, while the entries in the State list allow the respective States to make laws in relation to the same. The entries in the Concurrent list are where the centre and the States can both make laws. Provided below are certain important entries in relation to land which appear both in the Union as well as the State list.

Union List

Entry 86 of the Union list is in relation to '*Taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies; taxes on the capital of companies*'. Further entry 87 deals with '*Estate duty in respect of property other than agricultural land*'.

State List

Entry 18 of the State List deals with '*land that is to say right in or over the land, land tenures including the relation of landlord and tenant, and the collection of rents, transfer and alienation of agricultural lands; land improvement and agricultural loans; colonisation*'. Further entry 49 empowers the State in relation to '*taxes on land and buildings*'.

Therefore, as provided for in the Constitution of India, as regards lands in specific and real estate in general, the same are governed both by the laws enacted by the States as well as by the Union of India.

Laws enacted by the Union of India

The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act")

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

Transfer of Property Act, 1882 ("T.P. Act")

The Transfer of Property Act, 1882 deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals is governed by the provisions of the T.P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act, can be through the mode of sale, gift and exchange while an interest in the property can be transferred by way of a 'lease' or 'mortgage'.

The T.P. Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908 ("Registration Act")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of any interest in an immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It lays down in detail, the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding eleven months or reserving a yearly rent.

An unregistered document will not adversely affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. However, the amount of the fees under the Registration Act for the purpose of registration, vary from State to State.

The Indian Stamp Act, 1899 ("Stamp Act")

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. All other instruments are required to be stamped, as per the rates prescribed by the respective State governments. Stamp duty is required to be paid on all documents that are registered, as stated above, the percentage of stamp duty payable varies from one State to another. Certain States in India have enacted their own legislation in relation to stamp duty, while other States have amended the Stamp Act, as per the rates applicable to in the State. The Stamp Act provides for stamp duty at specified rates on instruments listed in the Schedule to the said Act.

The stamp duty in relation to the lease or conveyancing of any immovable property is prescribed by the respective States in which the land is situated and it varies from State to State. Instruments which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. Further the State government also has the power to impound insufficiently stamped documents.

Easements Act, 1882 ("Easements Act")

The law relating to easements is governed by the Easements Act, 1882 ("**Easements Act**"). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, *i.e.* the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

Labour Laws

We are also required to comply with the laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 ("**Construction Workers Act**"), which is a social welfare legislation which aims to provide certain benefits as enumerated in the Construction Workers Act to the workers engaged in establishments that use manual labour for purposes of construction activities. The Construction Workers Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of its provisions. All establishments involved in construction, are required to be registered under the Construction Workers Act.

The Minimum Wages Act, 1948 ("**Minimum Wages Act**"), provides for the fixing of appropriate minimum wages for workers involved in the various scheduled industries as specified in the Minimum Wages Act. The schedule of the Minimum Wages Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'.

The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to employees by establishments not expressly excluded by the statute. The Payment of Wages Act, 1936 aims to regulate the payment of wages to certain classes of employed persons. It establishes a regulatory regime for implementation of the objects of the Act. Pursuant to the insertion of Section 2(g) of the Act, it also applies to the construction industry. Further, in the event that any aspect of the activity is outsourced and is carried by labourers hired on contractual basis, compliance with the Contract Labour (Regulation and Abolition) Act, 1970 shall also be necessary.

The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

We are also required to comply with the laws applicable to the housing and the real estate sector in the State of Maharashtra, Karnataka and Andhra Pradesh, which include laws in relation to the availability of land, obtaining the no objection certificates prior to the commencement of construction, obtaining approvals required during and after the construction and finally obtaining the completion and occupancy certificate. We are required to comply with the various laws at different stages in the life-cycle of a project. Some of the important main local legislations applicable to us are provided below.

Laws enacted by the state of Maharashtra

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

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

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

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

Maharashtra Rent Control Act, 1999

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

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

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

The Bombay Stamp Act, 1958

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

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

The Maharashtra Value Added Tax Act, 2002

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

Maharashtra Cooperative Societies Act, 1960

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

Bombay Municipal Corporation Act, 1888

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

The Maharashtra Housing and Area Development Act, 1976

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

The Maharashtra Apartment Ownership Act, 1970

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

Land Conversion from Agriculture to Non Agriculture

In case of land located in the residential zone as per the Development plan of the City

Lands located in the Residential Zone as per the development plan of city is developable even though it is an agriculture land. The procedure is such that the developer submits the layout plan for approval for approval. Once the layout plan is approved by the Authority concerned, the developer immediately makes an application for conversion of land from Agriculture to Non Agriculture in the Land Department. The land department, based on the layout approval, gives the NA Order (Non Agriculture order) at a payment of certain pre-fixed charges per square feet. The land conversion from Agriculture to Non Agriculture in case of lands located in residential zone as per the city development plan will be a mere procedure.

In case of land located in the agriculture zone

As per the Special Township Project Scheme of Maharashtra, a developer who holds more than 100 acres of land in agriculture zone can take permission/approval from the government of Maharashtra for development of Special Township Scheme. Once the scheme is approved by government of Maharashtra, the land will be automatically converted from Agriculture to Non Agriculture status.

Transfer of development rights

In the event as per the development plan of the city, if the developer is asked to leave the certain portion of the land for the purpose of road widening etc. the Developer is entitled for equal amount of FSI/TDR (Floor Space Index / Transfer of Development Rights). The developer can either use the same within the same land/project or can sell to third party. The actual hand over of land will happen only of the Corporation is ready to acquire the same. Until such time the Developers hands over the land, the Developers shall remain in possession of the land however no development can take place on that portion of the land.

Similarly, within the city limits as also within the proposed city limits a Developer may consume addition area by way of purchase of TDR to the tune of maximum 40% of the net plot area. Based on this the saleable area of the project for the developer shall go up. While approving the plans, the developers can express the proposed TDR to be consumed in that project however the actual TDR is to be purchased only when the Developers decides to physically consume the area of TDR based on their sale of units in the project.

As per the Development plans of the Cities in Maharashtra the Developers have to leave about 1% to 15% by way of Amenities Spaces. However these areas can be developed for the purpose of Software Park by payment of certain premium.

As per the rules of Maharashtra the Developers are entitled for 100% additional FSI for development of Private Software Park and Hotel/Service Apartments on payment additional premium.

Laws enacted by the State of Karnataka

Comprehensive Development Plan ("CDP")

To ensure economic and healthy development of the city, the city is divided into a number of use zones, such as residential, commercial, industrial, public and semipublic. In order to promote public health, safety and the general welfare of the community, the State government thought it necessary to impose limitations on the use of land and buildings.

The CDP for the city of Bengaluru was earlier approved by the Government of Karnataka in the year 1984 and has subsequently been revised in 1995 and was again revised in 2007 by the Bengaluru Development Authority ("**BDA**"), which is the Planning Authority for the Metropolitan area of Bengaluru, as per Section 25 of the Karnataka Town and Country Planning Act, 1961 ("**KTCP Act**"). The regulations issued by the BDA and currently applicable are the Zoning of Landuse and Regulations dated June 25, 2007, and have been issued under the Revised Master Plan 2015.

The CDP covers a total area of 1,306 square kilometres and consists of 387 villages, seven city municipal councils and one town municipal corporation. The CDP is revised once in every ten years. The CDP serves as the foundation for developing strategic plans and local area plans, and finally, designing neighbourhoods and lays down the policies and programs for the overall development of the area within its ambit taking into consideration the long term requirements. The land requirement for different uses like residential, commercial, industrial, public and semipublic, traffic and transportation, parks and open spaces have been worked out and suitably located. In each use or zone, certain uses are normally permitted and certain other uses may be permitted by the BDA under special circumstances.

The zoning regulations and their enforcement are a major tool in keeping the land use pattern of the master plan. The zoning regulations for the city of Bengaluru for the Bengaluru Local Planning Area are prepared under clause (iii) sub section 2 of Section 12 of the KTCP Act. Section 12 of the KTCP Act deals with the contents of the master plan which shall consist of a series of maps and documents indicating the manner in which the development and improvement of the entire planning area within the planning authority is carried out. For the purpose of the KTCP Act, a planning authority includes the Bengaluru Development Authority and any such local planning authority that is constituted under the KTCP Act. The CDP envisions that development will be spatially organized in five concentric belts:

- 1st Belt - The core area consisting of the historic Petta, the Administrative Centre and the Central Business District;
- 2nd Belt - Peri-central area with older planned residential areas surrounding the core area;
- 3rd Belt - Recent extensions (2003) of the City flanking both sides of the Outer Ring Road, a portion of which lacks services and infrastructure facilities and is termed as a shadow area;
- 4th Belt - New layouts with some vacant lots and agricultural lands; and
- 5th Belt - Green belt and agricultural area in the City's outskirts including small villages.

The land use zone in the CDP are categorised as main areas category, specific areas category and constraint areas category

Comprehensive Development Plan for Mysore ("CDPM")

To ensure economic and healthy development of the city, Mysore is divided into a number of use zones, such as residential, commercial, industrial, public and semipublic. In order to promote public health, safety and the general welfare of the community, the State government thought it necessary to impose limitations on the use of land and buildings.

The CDPM was earlier approved by the Government of Karnataka in 1981 and has subsequently been revised in 1997 by the Mysore Urban Development Authority ("**MUDA**"), which is the planning authority for Mysore-Nanjangud area, as per Section 25 of the KTCP Act. The regulations issued by the MUDA and currently applicable are the Zoning of Land Use and Regulations dated May 16, 1997, and have been issued under the Revised Master Plan 2011.

The CDPM covers a total area of 495.32 square kilometers. The CDPM serves as the foundation for developing strategic plans and local area plans and designing neighborhoods. It also lays down the policies and programs for the overall development of the area within its ambit, taking into consideration certain long term requirements. The land requirement for different zones like residential, commercial, industrial, public and semipublic, traffic and transportation, parks and open spaces have been worked out and suitably located. Each zone can normally be used for certain purposes, however, in order to use it for certain other purpose, permission can be sought from the MUDA under special circumstances.

The zoning regulations and their enforcement are a major tool in keeping the land use pattern of the master plan. The zoning regulations for Mysore-Nanjangud local planning area are prepared under Section 12 (2)(iii) and Section 21(1)(a) of the KTCP Act. Section 12 of the KTCP Act deals with the contents of the master plan, which shall consist of a series of maps and documents, indicating the manner in which the development and improvement of the entire planning area within the planning authority is carried out. For the purpose of the KTCP Act, a planning authority includes the MUDA and any such local planning authority that is constituted under the KTCP Act. The CDPM requires that development will be spatially organized under eight zones:

- Residential zone – this includes dwellings, hostels, places of public worship, public libraries, post and telegraph offices, clubs, milk booths, neighborhood, convenience shops or buildings occupying a floor area not exceeding twenty square metres, *etc*., which fall under permitted use. Uses permissible under special circumstance by the MUDA are State and Central government offices, banks, public utility buildings, colleges, tailoring, nursing homes, *etc*.
- Commercial zone – this is split into two heads: (i) retail business and wholesale business, which cover offices, residential buildings, shops and service establishment; and (ii) establishments with power up to 20 horse power.
- Industrial zone – this is spilt into three heads: (i) light industrial zone, employing not more than 50 workmen; (ii) medium industrial zone, employing not more than 500 workmen; and (iii) heavy industrial zone, employing more than 500 workmen.
- Utilities and services – all government administrative centres, district offices, law offices, educational, cultural and religious institutions, fall under the permissible use. Government printing press, parking lots and repair shops, fall under uses permissible by MUDA under special circumstances.
- Parks, open spaces and play grounds – this includes sports grounds, stadium, play grounds, parks and swimming pools which fall under uses permissible under this category, and open air theatres, indoor recreational uses, social clubs and canteens, which fall under uses permissible under special circumstance by the MUDA.
- Traffic and transportation – this category covers railway yards, railway stations, bus stands and bus shelters, which fall under uses permissible, while canteens, banking counters, clubs, and godowns, fall under use permissible under special circumstances by the MUDA.
- Utilities and services – this includes water supply installation, treatment plants, drainage and sanitary installation, which fall under the uses permissible, and canteen, banking counters, clubs, indoor and recreational use, which fall under the uses permissible under special circumstances by the MUDA.
- Agricultural zone – this includes agriculture, horticulture, farming, dairy and poultry as the uses permissible, and places of worship, schools, hospitals, and libraries, uses permissible under special circumstances by the MUDA.

Karnataka Land Revenue Act, 1964 ("KLR Act")

The KLR Act was enacted to consolidate and amend the laws relating to land and the revenue administration in the State of Karnataka. The KLR Act states that any owner of an agricultural land shall require the permission of the Deputy Commissioner, to convert the use of such land for any other purpose. The KLR Act states that such a request for the conversion of the agricultural land cannot be refused, if such lands are in the CDP. Certain activites which are allowed to be carried out in the green belt areas include construction of places of worship, hospitals, libraries, sports clubs and cultural buildings. Any other form of activity, to be carried out will require the prior consent of the relevant authority.

KTCP Act

The KTCP Act was enacted to provide for the regulation of planned growth of land use and development and for the making and execution of town planning schemes in the State of Karnataka. The KTCP Act provides for the declaration of a local planning area and shall be governed by its own local bye laws, rules and regulations, as the case may be. A local planning authority is constituted for such a local planning area.

Every local planning authority, shall be required to create a master plan and all activities shall be carried out pursuant to such a master plan.

Karnataka Municipal Corporation Act, 1976 ("KMC Act")

The KMC Act was established to consolidate and amend the laws, relating to the establishment of 'Municipal Corporations' in the State of Karnataka. The Municipal Corporations then have the power to regulate the construction industry by imposing mandatory requirements such as necessary approvals, building bye-laws, regulation of future constructions, *etc*. Pursuant to the provisions contained in Chapter XV of the Act, the corporations have been given the powers to regulate buildings and other related activity.

Under Chapter II of the KMC Act, a 'Corporation' is established based on certain criteria, which include the population of the area, the density of the population and certain other factors. Further, the KMC Act under Section 295 empowers a corporation to make bye laws for the use of sites and buildings. The Corporation shall have the power to make bye laws, for the regulation or restriction for the use of sites or buildings. Such a corporation may also make bye laws for all matters that are required or allowed to be carried on under this Act.

Bengaluru Mahanagara Pallike Building Bye Laws - 2003 ("BMP Bye Laws")

The BMP Bye Laws are applicable and shall be required to be complied with within the jurisdiction of the BMP. For the purpose of the BMP Bye Laws, the BMP shall mean the Corporation. Currently there are totally about 100 wards in Bengaluru to which the BMP Bye Laws are applicable.

Schedule 1 of the BMP Bye Laws, provides the permissible land use classification. Land use under the schedule is classified as: (i) Residential; (ii) Commercial (retail and wholesale business); (iii) Industrial; (iv) public and semi public use; (v) parks, open spaces and playgrounds; (vi) transport and communication; (vii) utilities and services; and (viii) agricultural zone. In the Commercial (retail business) zone, the construction of residential buildings is permitted.

Part II of the BMP Bye Laws provide that every person who intends to erect or re-erect a building or make material alterations shall be required to obtain a license from the Commissioner of the BMP ("**Authority**"). The BMP Bye Laws provide the various details, which shall have to be complied with, for the purpose of carrying out any construction activity within its jurisdiction.

At the time of submission of an application by any person to the Authority to erect a building or such other construction activity, as required in clause 3 of the BMP Bye Laws, certain documents including the title deeds or possession certificates issued by a competent authority, property card and the sketch issued by the department of survey and settlement and land records and the latest assessment book extract issued by the Corporation, are required to be submitted.

In addition to the above, certificates from the following authorities shall have to be submitted with the application. These authorities include:

1. The Bengaluru Development Authority, in the event any of the conditions as specified are satisfied; and
2. No Objection Certificate ("**NOC**') from The BWSSB, Bengaluru Electricity Supply Company, Fire Services Department, AAI in case of a high rise building. In the event that the high rise building is above seven floors, such an NOC shall also have to be obtained from the Telecommunication Department.

A high rise building as defined in clause 2.46 of the BMP Bye Laws, means a building with ground floor plus four or more floors above the ground floor.

Upon the grant of the license by the Authority, the owner shall have to comply with the approved plan and specifications and the construction of the building shall have to commence within a period of two years. After the physical inspection, the Authority shall issue an occupancy certificate.

Technical Requirements: The building constructed shall be required to comply with the specific requirements as specified in the BMP Bye Laws. In relation to the construction of any building, the Floor Area Ratio ("**FAR**") shall means the '*quotient obtained by dividing the total covered area of all the floors by the area of the plot*'. The set back line means '*a line prescribed beyond which nothing can be constructed towards the plot boundary except those not included under the definition of coverage.*'

Therefore, the FAR is calculated on a case by case basis, based on the construction. For instance, assuming a property admeasuring 10,000 sq. ft. is located on Sarjapur ring road, near Bengaluru, Karnataka India with a road width of 150 feet, this property would fall under the zone of the CDP, 1995 and be entitled for an FAR of 2.00 as per table 24 of the CDP.

Clause 9.2 of the BMP Bye Laws refers to tables four to six, which provide the details in relation to the set backs required on all sides of the buildings, the maximum plot coverage, the maximum FAR, the maximum number of floors, maximum height of the building, that are permissible for different dimensioned sites and width. The exterior open spaces, the setback in metres for all buildings including residential, commercial, public and semi public buildings up to a height of 9.5 metres is provided in table four while table five provides the relevant details for all buildings above 9.5 metres. The coverage and the FAR for all buildings including residential, commercial, public and semi public are provided in table 6. All high rise buildings shall have to comply with the requirements specified in table 5. Further the minimum depth or width of a site for high rise building shall be 21 metres. Further the minimum road width facing a high rise building shall be 12 metres.

All buildings with ground floor and three floors and above (or height of 15 metres and above), shall also require the clearance from the Director of Fire Services, regarding the Fire Protection Provision in the building.

Bengaluru Mysore Infrastructure Corridor Area Planning Authority ("BMICAPA") and Bengaluru International Airport Area Planning Authority ("BIAAPA")

The BMICAPA and the BIAAPA have been constituted pursuant to the KTCP Act, as a local planning Authority. The Bengaluru Mysore Infrastructure Corridor Project consists of tolled four lane express highways (including their peripheral and link roads) and 5 new townships, along this corridor. The Bengaluru International Airport Planning Authority, regulates the lands coming within its jurisdiction.

Under the provisions of the KTCP Act, such a local planning authority shall have its own rules and regulations, which shall govern the area within its jurisdiction. In light of the above, the BMICAPA and the BIAAPA constitute independent planning authorities, and therefore in the event that any land is situated in their jurisdiction, they shall pursuant to the authority vested in them, have the powers to govern such areas.

BMICAPA

Any person intending to carry out any development activity in the jurisdiction of Bengaluru Mysore Infrastructure Corridor Area **("BMICA")** shall be required to make an application in the prescribed form as specified in Section 14 of the KTCP Act, with documents such as key plan, site plan, building plan, ownership title, latest up to date tax paid receipt, khatha certificate and NOC's if the building is a high rise construction.

The BMICAPA regulations also provide the various requirements to be complied with by any person carrying out any construction activity. These regulations are substantially similar in nature to the BMP Bye Laws in relation to the requirements to be complied with. However, there are certain important aspects that are different. For example, in the BMICA a high rise building means '*a building of a height of 18 metres or more above the average surrounding ground level*', while the definition of the FAR is similar to what has been provided for in the BMP Bye Laws.

The permitted land use in the BMICAPA includes land to be used for commercial use wherein residential buildings are included. These BMICAPA regulations being very similar to the BMP Bye Laws also provide for certain requirements in relation to the setback. It provides in table 5.1 the minimum set back required on all sides of a building up to 10.00 metres in height, while table 5.2 provides the details of the exterior vacant spaces for the buildings above 10 metres in height. Further table 5.3 provides the details in relation to the coverage and FAR for the residential, commercial, public and semi public, traffic and transportation and public utility buildings. These BMICAPA regulations also specify the requirements in relation to various aspects including the number of floors that can be constructed, percentage of plots coverage, FAR, height of the building for different plot size.

BIAAPA

The area coming within the jurisdiction of the Bengaluru International Airport Area ("**BIAA**") shall be governed by the rules and regulations as framed by the BIAAPA and all applications for carrying out any construction in this area, shall be made to the BIAAPA.

Bengaluru Development Authority Act, 1976 ("BDA Act")

The BDA Act was enacted for the establishment of a development authority to provide for the development of the city of Bengaluru and areas adjacent to it. Section 67 of the BDA Act has amended the KTCP Act and states that for the city of Bengaluru, the Bengaluru Development Authority ("**BDA**") shall be the local planning authority for the local planning area.

Section 81-B of the KTCP Act, states that the BDA shall be the local planning authority for the local planning area comprising of the city of Bengaluru and the BDA shall exercise powers and perform functions as if it were a local planning authority for the Bengaluru City.

Bengaluru Metropolitan Region Development Authority Act, 1985 ("BMRDA Act")

The BMRDA Act was enacted for the purpose of establishing the Bengaluru Metropolitan Region Development Authority ("**BMRDA**") to plan, co-ordinate and supervise the proper and orderly development of the Bengaluru metropolitan region. Any development in the Bengaluru district and the Bengaluru rural district shall require the prior permission of the BMRDA.

Karnataka Apartment Ownership Act, 1972 ("KAO Act")

Under the provisions of the KAO Act, every owner of an apartment is required to execute a declaration to adhere to the provisions of the KAO Act. The KAO Act states that the administration of every property, shall be bound by its own bye laws.

Laws enacted by the State of Andhra Pradesh

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

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

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

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

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

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

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

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

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

Hyderabad Revised Building Rules, 2006 ("Building Rules")

The Hyderabad Revised Building Rules, 2006 ("**Building Rules**") (came into effect pursuant to a government order No. 86 dated March 3, 2006) prescribes the rules applicable to Municipal Corporation of Hyderabad and other areas covered by Urban Development Authorities, viz. Hyderabad Urban Development Authority, Hyderabad Airport Development Authority, Cyberabad Development Authority and Buddha Purnima Project Authority. These rules shall apply to all building activity. There shall be restriction on the minimum building plot size along the abutting roads in all new developments areas and layouts.

Under these rules no building / development activity shall be allowed in the bed of water bodies like river, or nala, and in the Full Tank Level (FTL) of any lake, pond, cheruvu or kunta / shikam lands. The above water bodies and courses shall be maintained as recreational/Green buffer zone, and no building activity other than recreational use shall be carried out within the areas specified in the Building Rules. The set back in relation to various construction are also specified in these rules.

In relation to high rise buildings located in vicinity of airports as given in the National Building Code, the maximum height of such building shall be decided in consultation with the Airport Authority and shall be regulated by their rules/requirements. Interstitial sites in the area which are away from the direction of the Airport Funnel zone and already permitted with heights cleared by the Airport Authority shall be permitted without referring such cases to the Airport Authority.

Every application to construct or reconstruct or alteration to existing high rise buildings shall be made in the prescribed form and accompanied by detailed plans floor plans of all floors, complete set of structural drawings and detail specifications duly certified by a qualified structural engineer. Necessary prior No Objection certificate shall be submitted from the Airport Authority (if applicable), Directorate of Fire services, along with the application

These rules also prescribe that an Occupancy Certificate shall be mandatory for all buildings. No person shall occupy or allow any other person to occupy any building or part of a building for any purpose unless such building has been granted an Occupancy Certificate by the Sanctioning Authority.

Andhra Pradesh Municipalities Act, 1965 ("Municipalities Act")

The state of Andhra Pradesh is divided into certain municipalities for better administration. The state of Andhra Pradesh may issue a notification specifying an area as a smaller urban area and constitute a municipality for such an area. Each municipality would be governed by a set of municipal authorities to be constituted/ elected as per the provisions of the Municipalities Act. The Minucipalities Act provides that all vacant lands, belonging to or under the control of the state of Andhra Pradesh, situated within the local limits of a municipality would be deemed to be in the possession/ control of the municipal authorities governing such municipality. It is provided that the municipal authority shall not (i) construct or permit the construction of any building or other structure on such vacant land; (ii) use or permit the use of such vacant land for any permanent purpose; and (iii) alienate such vacant land to any third party; unless prior permission is obtained by the municipal authority from the state of Andhra Pradesh. The municipal authority is also authorised to levy property tax on all the buildings and lands within its municipal limits. The municipal authority is also responsible for water supply, public street lighting, maintenance of public and private drains, maintenance and repair of streets within its municipal limits.

The Municipalities Act provides that any person intending to construct or reconstruct a building shall make an application in writing for the approval of the site, together with the site plan. No such construction shall begun made unless the commissioner grants the permission for execution of the work. Within 60 days of making the application, the commissioner shall by a written order either approve or reject the site/ execution of any work. if the commissioner fails to to do so within 60 days, such permission is deemed to have been granted and the applicant may proceed to execute the work.

The Municipalities Act provides that if the owner of any agricultural land intends to utilise or sell such land for building purposes, he shall pay to the municipal authority such conversion fee not being less than 25 paise and not more than one rupee per square meter. It is provided that the owner of any land shall, before he utilises, sells or otherwise disposes such land as site for construction of buildings, make a layout plan and construct roads giving access to the sites and connecting them with an existing public or private street. The owner is also required to set apart in the lay out adequate area for a play-ground, park, educational institution or for any other public purpose. If the owner fails to comply with the said consitions, he will not be entitiled to utlise, sell or otherwise dispose such land for the construction of buildings. The Municipalities Act provides that no permission for the construction of the buildings on such land shall be granted unless the layouts are approved by the municipal authorities. Any person intending to make such a lay-out is required to make a written application to the municipal authorities with the particulars provided in the Municipalities Act. In addition to the particulars specified, such person is required to furnish a conversion certificate (in case of conversion of agricultural land) and pay such amount as security deposit in favour of the municipality. The commissioner shall, within 15 days of receipt of such an application, call for such additional particulars (if required) or forward the same to the Director of Town Planning. The Director of Town Planning is required to forward his recommendations to the Municipality within 60 days of receipt of the layout plan in his office. The Council, may, within 60 days of receipt of the recommendtions from the Director of Town Planning, either saction the lay out or refuse to do so by recording its reasons in writing.

Hyderabad Municipal Corporation Act, 1955 ("HMCA")

HMCA is applicable to the cities of Hyderabad and Secunderabad. The Municipal Corporation of Hyderbad ("**MCH**") has been set up under the HMCA. The MCH is responsible for the administration and maintenance of Hyderabad and Secunderabad including (i) defining city limits, (ii) watering, scavenging and cleaning of all public streets and places, (iii) collection, removals, treatment, disposal of sewage; (iv) construction and maintenance of drains and drainage works, (v) lighting of public buildings and public strets, (vi) maintenance of public monuments and open spaces and other property vesting in MCH, (vii) naming and numbering of streets, (viii) public vaccination, (ix) registration of births and deaths, (x) construction and maintenance of streets , bridges, and (xi) improvement of the city.

The HMCA provides that any person intending to develop a land/ use it for building purposes, is required to give written notice of his intention to the commissioner and submit plans and sections, showing the situation and boundaries of such building, land, private street etc. The commissioner may call for further particulars within 30 days after receipt of such notice. All plans submitted to the commissioner must be prepared by or under the supervision of a surveyor. If the commissioner does not indicate his approval or disapproval within 60 days of receipt of the notice, then such proposal shall be deemed to have been approved. The HMCA provides that no person shall use or permit the use of any land whether undeveloped or partly developed for building or divide such land into building plots or make or layout any private street, unless such person gives a written notice as provided. In case of any contravention, the commissioner may give a show cause notice to such person as to why such building, layout should not be altered to the satisfaction of the commissioner or why such street or building should not be demolished.

The HMCA further provides that any person intending to erect or alter a building shall give notice to the commissioner of his intention in the specified form. At any time within 30 days after receipt of such notice, the commissioner may, by written notice, to furnish additional documents. If within 30 days, the commissioner fails to intimate his approval or disapproval in writing, the person may, any time within one year from the date of delivery of notice, proceed with the building in accordance with his intention as described in the notice. If the commissioner diapproves any building or work, he may give a notice of disapproval with reasons for the same and specified terms subject to which the building or work may be deemed to be approved by him. The person giving notice may proceed with the building or work, subject to the terms specified by the commissioner, any time within one year from the date of receiving the notice of disapproval from the commissioner. After the expiry of the one year, the peson will need to give fresh notice of his intention to erect or re-erect a building oe execute such work.

The HMCA further provides for specifications with respect to the foundation of the building, plinth area, ventilation, height of the rooms, material used for roofs and external walls, maximum height of the buildings etc.

Laws relating to SEZ

Special Economic Zones, Act, 2005

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

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

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

Procedure for setting up an SEZ

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

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

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

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

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

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

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

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

State SEZ Policies

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

Environmental Legislation

We are required under applicable law to ensure that our operations are compliant with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, as amended ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended ("Air Pollution Act") and the Environment Protection Act, 1986, as amended ("Environment Act") The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

Public Liability Insurance Act, 1991

This enactment imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government in by way of notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The Rules made under the Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

The Noise Pollution (Control and Regulation) Rules, 2000

Additionally, The Noise Pollution (Control and Regulation) Rules, 2000 have been enacted by the Central Government for the regulation and control of noise producing and generating sources. These Rules also specify the ambient air quality standards to be maintained in respect of noise for different areas that are categorised into industrial, commercial, residential and silence zones. The State Government is required to undertake measures for abatement of noise including noise emanating from vehicles and ensure that the existing noise levels do not exceed the ambient air quality standards specified under these Rules.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the Secretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment is permitted only by NRI's:

1. Development of serviced plots and construction of built up residential premises;
2. Investment in real estate covering construction of residential and commercial premises including business centres and offices;
3. Development of townships;
4. City and regional level urban infrastructure facilities, including both roads and bridges;
5. Investment in manufacture of building materials, which is also open to FDI;
6. Investment in participatory ventures in (1) to (5) above; and
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, states that the investment cap in the real estate on the activities in the 'Housing and Real Estate' permits investment to the extent of 100% only by NRIs in the following specified areas:

1. Development of serviced plots and construction of built up residential premises;

2. Investment in real estate covering construction of residential and commercial premises including business centres and offices;
3. Development of townships;
4. City and regional level urban infrastructure facilities, including both roads and bridges;
5. Investment in manufacture of building materials, which is also open to FDI;
6. Investment in participatory ventures in (1) to (3) above; and
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100% under the automatic route is allowed in 'townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)', subject to the compliance with the following requirements.

i. Minimum area to be developed under each project is as under:

   (a) In case of development of serviced housing plots, a minimum land area of 10 hectares;
   (b) In case of construction-development projects, a minimum built up area of 50,000 square meters; and
   (c) In case of a combination project, anyone of the above two conditions would suffice.

ii. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

iii. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

Therefore applicable law only permits investment by an NRI under the automatic route in the 'Housing and Real Estate' sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the 'Housing and Real Estate' subject to compliance with the terms provided in Press Note 2 of 2005.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

Our Company was incorporated on May 25, 1993 under the Companies Act, 1956 as Kumar Housing & Land Development Limited. We obtained a certificate of commencement of business on April 19, 1994. The name of our Company was subsequently changed to Kumar Urban Development Limited by a special resolution of the members passed at an extra-ordinary general meeting of the Company on January 25, 2008. The name of our Company was changed to reflect more effectively the nature of activities carried out and proposed to be carried out by our Company. The fresh certificate of incorporation consequent upon change of name was granted to our Company on February 7, 2008 by the Registrar of Companies, Pune.

Changes in Registered Office:

The registered office of our Company was originally located at No. 783, Bhavani Peth, Pune 411 042 and pursuant to a resolution of our Board dated July 14, 2000 was changed to Kumar Capital, 2nd floor, 2413, East Street, Pune 411 001 to carry on the business of the Company more efficiently and economically.

Awards

Our Company was selected as one of India's Top Ten Builders by Construction World in 2009.

The brand 'Kumar Builders' under which our Promoter has historically carried on business received the following awards:

1. Amacus Real Estate Excellence Award for the best real estate company in 2008.
2. The Pune Real Estate Excellence Award for the best environment friendly project for Kumar Sublime in 2008.
3. The Pune Real Estate Excellence Award for the best real estate company in 2008.
4. The Pune Real Estate Excellence Awards for the best retail project awarded to Pune Central in 2008.

Key Events and Milestones

Month/ Year	Key Events, Milestones and Achievements
May, 1993	Issuer company "Kumar Urban Development Limited" was incorporated.
August, 2002	Received ISO: 9001:2000 certification from the Det Norske Veritas ("DNV") in relation to the design, development, construction and marketing of residential and Commercial Complexes.
July, 2007	Winning the bid for acquisition of 3,167,334 equity shares of Sinew Developers Limited, a company holding development rights in respect of around 79 acres of property at Erandawane, Pune.
December 2007	Investment of Rs. 1000 million by Reliance Capital Limited in the Company
May 2008	Investment of Rs. 1000 million by the Landmark Banyan Group in our Subsidiary, KBTVPL for developing SEZs (IT & ITES) thereby acquiring 10% equity stake in the said SPV.
June, 2009	Debt and equity investment to the tune of Rs. 650 million by ICICI Prudential Asset Management Company Limited, as portfolio managers on behalf of its clients, in our subsidiary, Riverview Properties Private Limited for developing an integrated township.
August, 2009	Kumar Urban Development Limited has received CW Architect and Builder Award for the year 2009 and has been adjudged as top 10 builder by the magazine "Construction World" for the construction industry.
November 4, 2008	Received ISO: 14001:2004 certification from the Det Norske Veritas ("DNV") in relation to the design, development, construction and marketing of residential and Commercial Complexes. The certificate is valid until January 12, 2011.
November 4, 2008	Received ISO: 18001:2007 certification from the Det Norske Veritas ("DNV") in relation to the design, development, construction and marketing of residential and Commercial Complexes. The certificate is valid until April 13, 2010.

Month/ Year	Key Events, Milestones and Achievements
April, 2009	Received ISO: 9001:2008 certification from the Det Norske Veritas ("DNV") in relation to the design, development, construction and marketing of residential and Commercial Complexes. The certificate is valid until April 11, 2011.

Pursuant to an internal restructuring with our group we have acquired majority stakes in certain entities. See 'Our Business' on page 101.

Borrowings from Standard Chartered Bank and ICICI Bank Limited has been rescheduled and modified pursuant to respective banking arrangements. For details, see section titled "Financial Indebtedness" on page 283.

No events of strikes or lockouts have occurred in our Company since its date of incorporation and no injunction or restraining order has been issued against our Company. No change has occurred in the activities of our Company in the past five years which would have material effect on the profit or loss of our Company. Further, there are no profits to our Company on account of foreign operations as our Company does not have any foreign operations.

Our Company has 14 (fourteen) shareholders as on the date of filing this Draft Red Herring Prospectus. See Capital Structure on page 51.

Main Objects

Our main objects enable us to carry on our current business. The business proposed to be carried on by us as contained in our Memorandum of Association and is as follows:

"To sell, deal and traffic in lands, estates, houses or other landed properties or every tenure whether freehold or leasehold or otherwise and any interest therein and generally develop and turn to account any land by laying our preparing the same for building purpose by planting, paving, draining and cultivating the same and by constructing, altering, pulling down decorating, furnishing, maintaining, fitting up and improving buildings, flats, garages, places, halls, theaters, hotels, holiday resorts, lodges, offices, shops, godowns, warehouses, mills, factories, bridges, and other premises and undertaking construction jobs, works and conveniences and entering into contracts and other arrangements with tenants, occupants, builders, developers, contractors and other arrangements with tenants, occupants, builders, developers, contractors and other such persons and to acquire by purchase, lease, exchange or otherwise and, estates, buildings, hereditaments, flats, garages, houses, halls, hotels, holiday resorts, lodges, godowns, mills, factories or other landed properties of every tenure or description and any estate or interests therein together with all buildings and structures thereon, with any rights connected with such lands, estates, buildings, hereditaments, flats, garages, houses, halls, hotels, holiday resorts, lodges, godowns, mills, factories, bridges or other immovable properties and to turn the same to account as may be expedient."

Amendments to our Memorandum of Association

Date	Nature of Amendment
October 27, 2006	Increase in the authorized capital from Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each to Rs. 200,000,000 divided into 20,000,000 Equity Shares of Rs. 10 each.
December 18, 2006	Increase in the authorized capital from Rs. 200 million divided into 20,000,000 Equity Shares of Rs. 10 each to Rs. 750 million divided into 75,000,000 Equity Shares of Rs. 10 each.
February 7, 2008	Change of name of the Company from Kumar Housing & Land Development Limited to Kumar Urban Development Limited.
September 25, 2009	Increase in the authorized capital from Rs. 750 million divided into 75,000,000 million Equity Shares of Rs. 10 each to Rs. 1,250 million divided into 125,000,000 Equity Shares of Rs. 10 each.

Details of our Subsidiaries

The equity shares of none of our Subsidiaries are listed on any stock exchange. There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

1. Kumar Perfumeries Private Limited

Our subsidiary, KPPL is engaged in the business of manufacturing and dealing in all kinds of perfumes, skin oils, toilet powders, deodorants. The authorised share capital of KPPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each and the paid up capital of KPPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company holds 10,000 equity shares in KPPL including one share held by Mr. Lalitkumar Jain as the nominee of our Company, constituting 100% of the issued and paid up capital of KPPL is held by our Company. KPPL was incorporated on November 15, 1991 as a private limited company. Its registered office is situated at Ali Chambers, Office No. 7, N.M. Road, Fort, Mumbai 400 023.

KPPL became a 100% subsidiary of our Company on November 30, 2006.

2. Sukumar Enviro Farms Private Limited

Our subsidiary, SEFPL is engaged in the business of farming, agriculture, planting, growing, buying, selling or otherwise dealing in all kinds of farm produce. The authorised share capital of SEFPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each and the paid up capital of SEFPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company holds 10,000 equity shares in including one share held by Mr. Lalitkumar Jain as the nominee of our Company, constituting 100% of the issued and paid up capital of SEFPL. SEFPL was incorporated on November 3, 1995 as a private limited company. Its registered office is situated at Ali Chambers, Office No. 7, N.M. Road, Fort, Mumbai 400 023.

SEFPL became a 100% subsidiary of our Company on November 30, 2006.

3. ***Kumar Housing Corporation Limited***

Our subsidiary, KHCL is engaged in the business of acquiring, developing, selling and leasing lands, plots and buildings. They have also filed an application for seeking an 'in principle' approval as a sponsor for the proposed real estate mutual fund to be launched by SEBI. The authorised share capital of KHCL is Rs. 50 million divided into 5 million equity shares of Rs. 10 each and the paid up capital of KHCL is Rs. 30 million divided into 3 million equity shares of Rs. 10 each. Our Company holds 30,00,000 equity shares in KHCL including shares held by Mr. Lalitkumar Jain, Ms. Madhu Lalitkumar Jain, Ms. Kruti Lalitkumar Jain, Mr. Shailesh Hingarh, Lalitkumar Jain (HUF) and Sukumar Housing and Private Limited are also nominees of our Company, constituting 100% of the issued and paid up capital of KHCL. KHCL was incorporated as Sukumar Estates Private Limited on February 28, 1989. The name was subsequently changed to Sukumar Estates Limited on August 26, 1994 and was further changed to KHCL on October 1, 2003. Its registered office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411001.

KHCL became a subsidiary of our Company on November 30, 2006 and subsequently became a 100% subsidiary on October 1, 2007.

4. ***Sinew Developers Limited***

Our subsidiary, SDL, is engaged in the business of erecting, constructing and selling or otherwise commercially using houses, buildings, residential and commercial premises, building and developing immovable properties. The authorised share capital of SDL is Rs. 65 million divided into 6.5 million equity shares of Rs. 10 each and the paid up capital of SDL is Rs. 65 million divided into 6.5 million equity shares of Rs. 10 each. Our Company holds 6,121,244 equity shares in SDL constituting 94.17% of the issued and paid up capital of SDL. SDL was incorporated as Megapolis Developers Private Limited on July 6, 1994. The name was subsequently changed to Sinew Developers Private Limited on May 22, 2002 and was further changed to SDL on June 24, 2002. Its registered office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411001. SDL is engaged in the real estate business.

SDL became a subsidiary of our Company on August 8, 2007 pursuant to an agreement dated July 1, 2007 entered into between our Company, Shree Suvarna Sahakari Bank Limited and others whereby our Company acquired shares in SDL.

5. Kumar Builders Township Ventures Private Limited

Our subsidiary, KBTVPL is engaged in the business of real estate developers, housing infrastructure developers, building contractors and engineers. The authorised share capital of KBTVPL is Rs. 300 million divided into 30 million equity shares of Rs. 10 each and the paid up capital of KBTVPL is Rs. 271.73 million divided into 27.17 million equity shares of Rs. 10 each. In KBTVPL, our Company holds 17,956,521 equity shares i.e. 66.08% of the issued and paid up capital of KBTVPL, Mr. Lalitkumar Jain holds 65,00,000 equity shares i.e 23.92% of the issued and paid up capital of KBTVPL, LSO Subco No. 4 Company holds 23,54,158 i.e. 8.66% of the issued and paid up capital of KBTVPL and LREF Subco No.4 holds 3,63,234 equity shares i.e. 1.34% of the issued and paid up capital of KBTVPL. KBTVPL was incorporated as Pune Township Ventures Private Limited on June 22, 2005. The name was subsequently changed to Kumar Builders Township Ventures Private Limited on February 14, 2006. Its registered office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

KBTVPL became a subsidiary of our Company on December 2, 2006.

On May 29, 2008 a share purchase and subscription agreement was entered into between LSO SUBCO No.4 Company and LREF SUBCO No. 4 (the "Investors"), the Company, Mr. Lalitkumar Jain and KBTVPL pursuant to which the Investors have agreed to purchase from the Company and the Promoter, an aggregate of 543,479 equity shares of KBTVPL for a total consideration of Rs. 200 million and subscribe to 2,173,913 equity shares of KBTVPL for a total subscription price of Rs. 800 million.

6. Kumar City Club Limited

Our subsidiary, KCCL, is engaged in the business of establishing a club, resort, Gymkhana with hotel and restaurant and to deal in food products, groceries, fruits and alcoholic beverages. The authorised share capital of KCCL is Rs. 0.5 million divided into 50,000 equity shares of Rs. 10 each and the paid up capital of KCCL is Rs. 0.5 million divided into 50,000 equity shares of Rs. 10 each. KHCL, a wholly owned subsidiary of our Company (including Mr. Lalitkumar Jain as a nominee of the Company, Ms. Madhu Lalitkumar Jain, Mr. Shailesh Hingarh, Mr. Shribhanu Patki, Mr. Nachiket Joshi and Ms. Mamta Hingarh) holds 50,000 equity shares in KCCL, i.e. 100% of the issued and paid up capital of KCCL. KCCL was incorporated on November 27, 1995 and commenced its business on November 27, 1995 pursuant to certificate of commencement of business dated November 27, 1995. Its registered office is situated at Ali Chambers, Office No. 7, N.M. Road, Fort, Mumbai 400 023.

KCCL became a 100% subsidiary of our Company on February 28, 2004.

7. Pune-Mumbai Realty Private Limited

Our subsidiary, PMRPL, is engaged in the business of acting as real estate developers, housing infrastructure developers, building contractors and engineers. The authorised share capital of PMRPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each and the paid up capital of PMRPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee, Mr. Lalitkumar Jain) holds 10,000 equity shares in PMRPL, i.e. 100% of the issued and paid up capital of PMRPL. PMRPL was incorporated on June 25, 2004. Its registered office is situated at Ali Chambers, Office No. 7, N.M. Road, Fort, Mumbai 400 023.

PMRPL became a subsidiary of our Company on September 29, 2007.

8. Riverview Properties Private Limited

Our subsidiary, RVPPL, is engaged in the business of property owners, builders, contractors and acquiring, developing, buying, selling and leasing of land and other properties. The authorised share capital of RVPPL is Rs. 5 million divided into .5 million equity shares of Rs. 10 each and the paid up capital of RVPPL is Rs. .47 million divided into 47,500 equity shares of Rs. 10 each. In RVPPL, our Company holds 39,900 equity shares i.e. 84% of the issued and paid up capital of RVPPL, Mr. Lalitkumar Jain holds 2,400 equity shares i.e. 5.5% of the issued and paid up capital of RVPPL and ICICI Prudential PMS A/c AMC holds 7500 equity shares i.e. 10.5% of the issued and paid up capital of RVPPL. RVPPL was incorporated on May 15, 1996. Its registered office is situated Kumar Capital, 2nd Floor, 2413, East Street, Camp, Pune 411 001.

RVPPL became a subsidiary of our Company on April 10, 2007.

On June 16, 2009, RVPPL, our Company, ICICI Prudential Asset Management Company Limited ("**Subscriber**"), and Mr. Lalitkumar Jain entered into a debenture subscription agreement, by which the Subscriber has subscribed to to 3,037,961 fully paid up optionally convertible debentures of RVPPL at a total consideration price of Rs. 303,796,100. RVPPL has in pursuance to the debenture subscription agreement also entered into a debenture trust agreement dated June 26, 2009 appointing IL&FS Trust Company Limited ("**Trustee**") as the security trustee.

9. Pune Technopolis Development Private Limited

Our subsidiary, PTDPL, is engaged engaged in the business of real estate and development of integrated township. The authorised share capital of PTDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each and the paid up capital of PTDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee, Mr. Lalitkumar Jain) holds 10,000 equity shares in PTDPL, i.e. 100% of the issued and paid up capital of PTDPL. PTDPL was incorporated on January 24, 2006. Its registered office is situated at Kumar Capital, 2nd Floor, 2413, East Street, Camp, Pune 411 001.

PTDPL became a 100% subsidiary of our Company on October 19, 2007.

10. L.K. Developers Private Limited

Our subsidiary, LKDPL, is engaged engaged in the business of real estate and development of integrated township. The authorised share capital of LKDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each and the paid up capital of LKDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee, Mr. Lalitkumar Jain) holds 10,000 equity shares in LKDPL, i.e. 100% of the issued and paid up capital of LKDPL. LKDPL was incorporated on November 7, 2006. Its registered office is situated at Kumar Capital, 2nd Floor, 2413, East Street, Camp, Pune 411 001.

LKDPL became a 100% subsidiary of our Company on October 19, 2007.

11. Khiranagar Development Private Limited

Our subsidiary, KDPL, is engaged engaged in the business of real estate. The authorised share capital of KDPL is Rs. 1 million divided into 100,000 equity shares of Rs. 10 each and the paid up capital of KDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee, Mr. Lalitkumar Jain) holds 10,000 equity shares in KDPL, i.e. 100% of the issued and paid up capital of KDPL. KDPL was incorporated on February 25, 2008. Its registered office is situated at Ali Chambers, Office No. 7, N.M. Road, Fort, Mumbai 400023.

KDPL became a 100% subsidiary of our Company on September 28, 2008.

12. Kumar Builders Township Developer Private Limited

Our subsidiary, KBTDPL, is engaged in the business of real estate. The authorised share capital of KBTDPL is Rs.1 million divided into 1,00,000 equity shares of Rs. 10 each and the paid up capital of KBTDPL is Rs. 0.1 million divided into 10,000 equity shares of Rs. 10 each. Our Company (including our nominee, Mr.

Lalitkumar Jain) holds 10,000 equity shares in KBTDPL, i.e. 100% of the issued and paid up capital of KBTDPL. KBTDPL was incorporated on September 26, 2006 as Kaiser Infrastructures Private Limited and subsequently its name changed to KBTDPL on November 29, 2006. Its registered office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

KBTDPL became a 100% subsidiary of our Company on October 1, 2008.

13. Kumar Sinew Developers Limited

Our subsidiary, KSDL, is engaged in the business of real estate and development of slum rehabilitation projects. The authorised share capital of KSDL is Rs. 1 million divided into 0.1 million equity shares of Rs. 10 each and the paid up capital of KSDL is Rs. 1 million divided into 0.1 million equity shares of Rs. 10 each. In KSDL, our Company holds 1000 equity shares in KSDL, i.e. 1% of the issued and paid up capital of KSDL while our, subsidiary, SDL holds 76% of the issued and paid up capital of KSDL. Further, Sinew Developers Private Limited holds 19,000 equity shares i.e. 19% of the issued and paid up capital of KSDL. Krutikumar Reality Holdings Private Limited, Sukumar Housing and Finance Private Limited, Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain respectively holds 1,000 equity shares i.e. 1% of the issued and paid up capital of KSDL. KSDL was incorporated on March 23, 2009 under the Chapter IX of the Companies Act, 1956 by conversion of a partnership firm Kumar Sinew Developers (Formerly known as A.V. Bhat and Company). KSDL commenced its business on May 29, 2009 pursuant to commencement certificate dated May 29, 2009. Its registered office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

KSDL became a subsidiary of our Company on March 23, 2009.

Entities in which we have a stake and/or through whom we are carrying out development activities

We also have interest in various entities described below, in which we have a stake and/or through whom we are carrying out certain development activities and which are not subsidiaries.

Details of Partnership Firms

1. Kumar Builders

Kumar Builders is a partnership firm engaged in real estate business. It was originally formed pursuant to a partnership deed dated March 31, 1979 between Late Mr. Kesarimal Himmatmal Oswal, Mr. Sardarmal Nathmal Jain, Mr. Futarmal Nathmal Jain, Mr. Kantilal Nathmal Jain, Shri Kewalkumar Kesarimal Jain and Ms. Pushpa Vimalchand Jain. The constitution of the partnership firm has undergone changes from the date of its registration under the Indian Partnership Act, 1932 and *vide* a deed of partnership dated September 1, 2009, the partnership is now reconstituted to include KUDL, KHCL and Sukumar Realtors & Capital Private Limited as partners of Kumar Builders. Our Company became a partner in Kumar Builders with effect from April 1, 2006 and has 98% share in the profit/loss. Its principal office is situated at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

2. Kumar Beheray Rathi

Kumar Beheray Rathi is a partnership firm engaged in the real estate business and was originally formed pursuant to the deed of partnership dated May 4, 1982 by and between Mr. Vimalchandra Kesarimal Jain, Mr. Lalitkumar Jain, Rathi Estates Private Limited, Ms. Aruna Ashok Behrey and Ms. Srikrishna Behrey. Our Company became a partner in Kumar Beheray Rathi with effect from December, 31, 2006. *Vide* a deed of partnership dated April 26, 2007, the partnership firm was reconstituted to include Mr. Lalitkumar Jain and KUDL as partners of Kumar Beheray Rathi. Our Company has 99% share in the profit and loss of the firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

3. K.K. Erectors

K.K. Erectors is a partnership firm engaged in real estate business and was originally formed pursuant to deed of partnership July 27, 1996 by and between Karia Erectors Private Limited and Shatrunjay Real Estate Developers Private Limited. Our Company became a partner in K.K.Erectors with effect from April, 1, 2006. Vide a deed of partnership dated May 2, 2006 the partnership firm was reconstituted to include Mr. Lalitkumar Jain, KUDL and KHCL as partners of M/s. K.K. Erectors. Our Company has 98% share in the proft/loss of K.K. Erectors. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

4. K. G. Ventures

K.G. Ventures is a partnership firm engaged in real estate business and was established pursuant to a deed of partnership dated August 17, 2004 by and between KHCL and G.H. Developers Private Limited. KHCL became a wholly subsidiary of our Company with effect from September, 29, 2007 and it has 65% share in the profit/loss of K.G. Ventures. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

5. Kumar Builders Mumbai

Kumar Builders Mumbai is a partnership firm engaged in the real estate business and was originally established on July 11, 1998 as Kumar and Lalljee Associates by and between Mr. Vimal Kumar Jain, Mr. Asif Abbas Lalljee and Mr. Lalitkumar Jain. The name was subsequently changed to Sukumar Builders on December 19, 1991. The name was further changed to Kumar Builders Mumbai on December 1, 2004. Our Company became a partner with effect from Apri1 1, 2006 and vide a deed of partnership dated June 25, 2008, the partnership was reconstituted to include Mr. Lalitkumar Jain, Sukumar Housing & Finance Private Limited, KUDL and Shatrunjay Constructions and Developers Private Limited as partners of Kumar Builders Mumbai and our Company has 98% share in the profit/loss of the firm. Its principal office is located at Kumar Capital, 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001. The Kumar Builders Mumbai has commenced the procees for conversion into a joint stock company in accordance with Part IX provisions of the Companies Act, 1956 and ahs received the letter for approval of name from the Registrar of Companies, Pune

6. Kumar Builders Township Ventures

Kumar Builders Township Ventures is engaged in the business of real estate.was formed pursuant to a deed of partnership dated September 1, 2005 between Mr. Lalitkumar Jain and Ms. Kruti Jain. It was reconstituted by deed of retirement and new partnership w.e.f. April 1, 2009 whereby Mr. Lalitkumar Jain has retired from the partnership. Our wholly owned Subsidiary, PTDPL has 99% share in the profit and/or loss of this partnership firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

7. Kumar Sons

Kumar Sons is a partnership firm engaged in the real estate business and was originally established on December 22, 1988 under the name and style of Kumar and Porwal by and between Mr. Bhomraj Chandanmal Porwal, Mr. Kewalkumar Kesarimal Jain and Ms. Pushpa Vimalkumar Jain and the name was subsequently changed to Kumar Sons with effect from November 29, 1990. Further, *vide* a deed of partnership dated November 7, 2008, the partnership was reconstituted to include Mr. Lalitkumar Jain, KUDL and KHCL as partners of Kumar Sons and our Company has 98% share in the profit/loss of the firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

8. Kumar Builders Consortium

Kumar Builders Consortium is a partnership firm engaged in the real estate business and was established on August 19, 2005 by and between Kumar Urban Development Limited, KHCL and Mr. Lalitkumar Jain. By a deed of partnership dated December 1, 2006, the partners have agreed to re-align the profit and loss sharing ratio. Our Company has 59%, KHCL has 40% and Mr. Lalitkumar Jain has the remaining 1% share in the profit/loss of the firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

9. Techno Lifestyle Development Corporation

Techno Lifestyle Development Corporation is a partnership firm engaged in the real estate business and was established on April 18, 2005 by and between Kumar Urban Development Limited and Mr. Anuj Maneklal Bhandari. Subsequently, vide a deed of partnership dated January 3, 2007, the partnership was reconstituted to include Mr. Lalitkumar Jain, Mr. Anuj Maneklal Bhandari, KUDL and Positive Lifestyle Developers Private Limited as partners of Techno Lifestyle Development Corporation. Our Company has 45% share in the profit/loss of the firm. Its principal office is located at 1182/1/3, I Floor, FC Road, Pune 411 005

10. Omved Turnkey Project Developers

Omved Turnkey Project Developers is a partnership firm engaged in the real estate business and was established on November 1, 2006 by and between Omved Turnkey Project Developers Private Limited and Mr. Lakshminarayan Krishnan. Our Company became a partner of the Omved Turnkey Project Developers with effect from December 28, 2006. Subsequently, *vide* a deed of partnership dated August 29, 2008, Omved Turnkey Project Developers Private Limited retired from the partnership. Presently *vide* a partnership deed dated April 8, 2009 RVPPL retired as Partners and KHCL and our Company continue as the partners of Omved Turnkey Project Developers. Our Company has 99% share in the profit/loss of the firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

Association of Person/ Joint Ventures

1. Kumar Urbana

Kumar Urbana was formed as an association of persons pursuant to Joint Venture Agreement dated February 23, 2006 between Sai Srushti Developers Private Limited, Kumar Sons, Kumar Builder and Mr. N. Janardhan Reddy and Kumar Sons has 50% share in the profit/loss of Kumar Urbana. Our Company holds 98% profit/loss share in Kumar Sons which is a partnership firm. Its principal office is located at # 6/9 B1-B2, off Ring Road, Devarabisnahalli Village, Varthur Hobli, Bengaluru South Taluka Site and administrative office is at 10/2, Palace Road, 13th Main, Vasanth Nagar, Bengaluru. It is engaged in the real estate business.

2. Kumar Santosh

Kumar Santosh was formed as an association of persons pursuant to a joint venture agreement dated January 15, 2001 between Mr. Anjum Parvez Patel, Kumar Horticulture Private Limited and Sukumar Enviro Farms Private Limited. Our Subsidiary, Sukumar Enviro Farms Private Limited holds 26% in the profit/loss of Kumar Santosh and one of our Group Companies, Kumar Horticulture Private Limited holds 26% share in the profit/loss of Kumar Santosh. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001. It is in the business of real estate.

3. Suryodaya Estates

Suryodaya Estates was formed as an association of persons pursuant to a joint venture agreement dated August 30, 2004 between Kumar Builders, Mr. H.M. Bagasrawalla and Mr. T.M. Bagasrawalla. Our partnership firm, Kumar Builders have 60% share in the profit/loss of Suryodaya Estates. Its principal office is located at Ali Chambers, Office No.7, 1st Floor, Nagindas Master Road, Fort, Mumbai 400 023. It is in the business of real estate.

Shareholders Agreement

Investment by Reliance Capital Limited in our Company

Our Company has entered into supplemental agreement dated September 21, 2009 ("**Supplemental Agreement**") with Reliance Capital Limited in supercession of share subscription and shareholders agreement which was earlier entered into. Pursaunt to the terms of the Supplemental Agreement, Reliance Capital Limited shall have the right to call upon the Promoters to buy-back the shares held by them at any time on or after completion of 365 days from the date of this Agreement at the price yielding annualized IRR of 36% per annum on the investment amount of Rs. 1,000 million. The agreement shall remain valid till as long as Reliance Capital Limited holds equity shares in our Company.

Other Material Agreements

Our Company has not entered into any material contract, not being a contract entered into in the ordinary course of the business carried out on or intended to be carried on by us or a contract entered into more than two years before the filing of this Draft Red Herring Prospectus.

Strategic and Financial Partners

The Company currently does not have any strategic and financial partners.

MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than three directors and not more than twelve directors, including all kinds of directors. We currently have seven directors on our Board.

The following table sets forth details regarding our board of directors as on the date of this Draft Red Herring Prospectus:

Name, Designation, Father's/ Name, DIN, Occupation and Tenure	Age	Address	Other Directorships/Interests
Mr. Lalitkumar Jain (S/o Late Shri Kesarimal Jain) *Chairman and Managing Director* DIN: 00102499 Business *Tenure*: Five years with effect from January 1, 2007	46	2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001 Maharashtra (India)	**Indian Companies** a) Kumar Housing Corporation Limited b) Kumar Sinew Developers Limited c) Sinew Developers Limited d) Kumar City Club Limited e) Sukumar e-Commerce Limited f) Sukumar Housing and Finance Private Limited g) Ketki Properties and Estate Private Limited h) Kumar Horticulture Private Limited i) Pune Rehabilitation Projects Private Limited j) Pune Urban Estates Private Limited k) Krutikumar Realty Holdings Private Limited l) Kumar Krishimitra Bio-Products (I) Private Limited m) Sukumar Machines and Constructions Private Limited n) Sublime Infrastructure Private Limited o) Preferred Builders and Promoters Realty Private Limited p) Kumar I.K.A. Port Developers Private Limited q) L.K. Urban Development Private Limited r) Orange City Infrastructure Development Private Limited s) Kumar I.K.A. Builders and Developers Private Limited t) KBR Developers Private Limited u) Pune Technopolis Development Private Limited v) Kumar Builders Township Ventures Private Limited w) Sukumar Enviro Farms Private Limited x) Pune-Mumbai Realty Private Limited y) Kumar Builder Township Developer Private Limited z) Khiranagar Development Private Limited aa) L.K. Developers Private Limited bb) River View Properties Private Limited **Partnerships** a) Kumar Builders Consortium b) Kumar Behrey Rathi

Name, Designation, Father's/ Name, DIN, Occupation and Tenure	Age	Address	Other Directorships/Interests
			c) Kumar Sons d) Kumar Builders Mumbai e) Techno Lifestyle Development Corporation f) Avi Constructions g) Kumar Developers **Sole Proprietorship** a) Kumar Builder **Trusts** a) Trustee Kruti Family Trust **H.U.F.** a) L.K. Jain (HUF)
Ms. Kruti Jain (D/o Mr. Lalitkumar Jain) *Director* DIN: 00102235 Business *Tenure*: With effect from April 1, 2009	22	2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001 Maharashtra (India)	**Indian Companies** a) Krutikumar Realty Holdings Private Limited
Mr. Shailesh Hingarh (S/o Late Shri Ghisulal Hingarh) *Non Executive Director* DIN: 00166916 Business *Tenure:* With effect from June 1, 2000	42	2, Manodhairya, 1st Floor, Opp. Raj Oil Mill, 39, JP Road, Andheri (W), Mumbai 400058 Maharashtra (India)	**Indian Companies** a) Kumar Housing Corporation Limited b) Sinew Developers Limited c) Shatrunjay Credit Services Limited d) Kumar City Club Limited e) Kumar Sinew Developers Limited f) Intellvision Software Limited g) Shatrunjay Constructions and Developers Private Limited h) Kumar Horticulture Private Limited i) Pune Rehabilitation Projects Private Limited j) Orange City Infrastructure Developers Private Limited k) Jaikh Fabricast Engineering Private Limited l) Sligo Properties and Investments Private Limited m) Kistler-Morse Automation Private Limited n) Kumar Perfumaries Private Limited o) Kumar Builders Township Ventures Private Limited p) Sukumar Enviro Farms Private Limited q) Pune Mumbai Realty Private Limited r) Pune Technopolis Development Private Limited s) Kumar Builder Township Developers Private Limited t) L.K. Developers Private Limited

Name, Designation, Father's/ Name, DIN, Occupation and Tenure	Age	Address	Other Directorships/Interests
			u) Khiranagar Development Private Limited v) Online Management Services Private Limited w) GCM Housing and Finance Private Limited **Partnerships** a) Darshana Painters **H.U.F.** a) Shailesh Hingarh (H.U.F.) **Sole Propietorship** a) Shailesh Hingarh & Company (Chartered Accountants)
Mr. Prakash Chandrashekhar Bhalerao *(*S/o Mr. Chandrashekaher Bhalerao) *Independent Director* DIN: 00037754 Business *Tenure*: With effect from February 3, 2007	59	B-7, Varsha Park, 263/4/3, Baner Road, Aundh, Pune 411 005 Maharashtra (India)	**Indian Companies** a) Meritor HVS (India) Limited b) Nandi Infrastructure Corridor Enterprises Limited c) Nandi Economic Corridor Enterprises Limited d) Sanghvi Movers Limited e) CDP Bharat Forge GmbH, Ennepetal, Germany f) Bharat Forge Aluminiumtechnik GmbH & Co. KG, Germany g) Bharat Forge Daun GmbH, Germany
Mr. Kishore Laxminarayan Biyani *(*S/o Mr. Laxminarayan Biyani) *Independent Director* 406, Jeevan Vihar Manav Mandir Road Mumbai 400 006 India DIN: 00005740 Business Tenure: Re-appointed as additional director with effect from January 9, 2008	48	406, Jeevan Vihar, Manav Mandir Road, Mumbai 400 006	**Indian Companies** a) Pantaloon Retail (India) Limited b) Home Solutions Retail (India) Limited c) Galaxy Entertainment Corporation Limited d) Jagran Prakashan Limited e) Future Capital Holdings Limited f) Future Brands Limited g) Future Generali India Life Insurance Company Limited h) Future Generali India Insurance Company Limited i) Retailers Association of India j) Indian Merchant Chambers k) Future Media (India) Limited l) Future Ventures India Limited m) Manz Retail Private Limited n) Varnsih Trading Private Limited o) Naman Mall Management Company Private Limited p) BLB Mall Management Company Private Limited q) Simpleton Investrade Private Limited r) Chaste Investment Private Limited

Name, Designation, Father's/ Name, DIN, Occupation and Tenure	Age	Address	Other Directorships/Interests
			s) Erudite Trading Private Limited t) New Horizon Retail Private Limited u) Galaxy Rain Restaurants Private Limited v) ESES Commercials Private Limited **Partnerships** a) BLB Trading & Investments Consultants **Sole Proprietorship** a) A B Investment & Securities
Mr. Gaurav Dalmia *(*S/o Shri Mridu Hari Dalmia) *Independent Director* DIN 00009639 Business Tenure: With effect from August 26, 2009	44	20-F, Prithviraj Road, New Delhi 110 011	**Indian Companies** a) Debikay Systems Limited b) First Capital India Limited c) Parag Parikh Financial Advisory Services Limited d) Landmark Property Development Company Limited a) Dalmia Agencies Private Limited b) Artech Infosystems Private Limited c) Infinity Technologies Investments Private Limited d) Infinity Technology Trustee Private Limited e) Landmark Landholdings Private Limited f) Skylark Consultants (India) Private Limited g) Artech Steel Industries Private Limited h) India Value Fund Advisors Private Limited i) Astir Properties Private Limited j) Ansal Landmark Township Private Limited k) Vipul SEZ Developers Private Limited l) Landmark Hi-Tech Development Private Limited m) New Line Buildtech Private Limited n) Sukhm Infrastructure Private Limited o) Plus One Realtors Private Limited p) New Line Developers Private Limited q) IVF Advisors Private Limited r) Landmark Realtech Private Limited s) Kumar Builders Township Ventures Private Limited
Mr. Nachiket Bhagvan Joshi *(*S/o Shri *Bhagvan Govind Joshi)* *Independent Director* DIN 00222855 Practising Lawyer Tenure: With effect from September 21, 2009	43	519, 3rd Floor, Tower III, Multistorey Flats, Mount Kailash, East of Kailash, New Delhi 110 019	**Indian Companies** a) Kumar Housing Corporation Limited b) Sukumar e- Commerce Limited c) Genesis Media Private Limited d) Cross Roads Communications Private Limited

Except as disclosed below, none of our Directors are related to each other.

All the Directors of the Company are Indian nationals. Except for relationship between Ms. Kruti Jain who is the daughter of Mr. Lalitkumar Jain and Mr. Shailash Hingarh who is brother-in-law of Mr. Lalitkumar Jain, none of our Directors are related to each other.

All the Directors of the Company are Indian nationals. Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the directors was selected as a director or member of senior managment. Further, there are no service contracts entered into by the directors with our Company providing for benefits upon termination of employment with our Company.

Brief Biographies of our directors

Mr. Lalitkumar Jain, the Chairman and Managing Director of our Company is also one of our Promoters. He holds a bachelors degree in civil engineering from Dyaneshwar Vidhyapeeth, Pune. He has been involved in the real estate business since the age of 17. He was the President of Promoters and Builders Association of Pune (now known as Confederation of Real Estate Developers' Association of India (CREDAI), Pune) and is a President of the Pune District Amateur Athletics Association. He is the Vice-President (West) of CREDAI, India. He is the winner of Man of the year in the year 2008 by Accomodation Times, Rashtriya Udyog Samman Puraskar for individual achievements in economic development in 2006, Pune Ratna Award for contribution in social and business field, 2006 and Nirman Bharti Rashtriya Samman for contribution for economic growth and social development by All India Business and Community Foundation (AIBCF), 2006. He was the first convenor of national convention of CREDAI at Vigyan Bhawan, Delhi. He is the convenor of Advantage Maharashtra and has been part of founding Federation of Builders and Promoters Association of Maharashtra and CREDAI. Mr. Lalitkumar Jain has been the director of our Company since May 25, 2003. He has been active on various forums of realestate developers and has been invited to speak on various national and international forums and universities as an expert in real estate.

Ms. Kruti Jain, is currently pursuing her Bachelors in Business Administration and Bachelor of Laws from Symbiosis College, Pune. She has been involved in the real estate business since the age of 15. She has more than 7 years of experience in managing the operations, design and development, sales, media and marketing functions of the Company. She is the youngest member of the managing committee of CREDAI, convener of the Real Estate Academy of Developers and City Greening Committee at CREDAI, Pune. She was also the convenor of Labour Welfare Committee at CREDAI, Pune. She has received the youngest entrepreneur award from Top Management Consortium for the year 2005 from Friends Circle Group, Pune in 2006. She was also conferred the Yuva Entrepreneurship Award by the Pune Real Estate Summit & Excellence Awards 2008. She has been the director of our Company since February 3, 2007.

Mr. Shailesh G. Hingarh is a non executive Director of our Company. He is a practising Chartered Accountant. He has 17 years of experience in this profession. He has previously worked as an auditor and management consultant for Aditya Lime Industries Limited, Intellvisions Software Limited, Nahar Enterprises etc.. He has been in the profession since 1992 and has been rendering the professional consultancy in the field of corporate finance and strategic matters. He is a member of Institute of Chartered Accountants of India. He has been the director of our Company since June 1, 2000.

Mr. Kishore Biyani is an Independent Director of our Company. He holds a Bachelors degree in Commerce from HR College, Mumbai and a Post Graduate degree in Marketing from Institute of Marketing & Management. He has more than twenty years of entrepreneurial experience in the textile and retailing industry. He is currently the Chief Executive Officer of Future Group and is the Founder and Managing Director of Pantaloon Retail (India) Limited. He has worked with Pantaloon Retail since 1987. He was the Chairman of the Confederation of Indian Industry's National Committee on Retail and the President of the Fashion Design Promotion Council. He is presently a member of the Indian Merchant Chamber. He has received the Ernst & Young Entrepreneur of the Year (services) award in 2006 and the CNBC India Business Leadership Awards' First Generation Entrepreneur of the Year in 2006. He has been the director of our Company since January 9, 2008.

Mr. Prakash Chandrashekhar Bhalerao is an Independent Director of our Company. He holds a Bachelors degree in Chemical Engineering from Government College of Engineering and Technology, a Masters in Business Administration from Birla Institute of Technology and Science, Pilani with specialisation in Finance and a Diploma in Taxation from K.C. College, Mumbai. He has thirty five years of experience in managing and transforming local engineering companies into global organisations. He holds the position of director of finance of Bharat Forge Limited since April 1, 1998. He has worked with Tata Motors, Advani Oerlikon, Apollo Tyres, Bank of India and KSB Pumps. Mr. Bhalerao is a visiting faculty member at Symbiosis College, Pune and Sadhana Institute, Pune. He has been the director of our Company since February 3, 2007.

Mr. Gaurav Dalmia is an Independent Director of our Company. He holds a Bachelors degree in computer science from Salford University, United Kingdom and a Masters degree from Columbia Business School. He has 15 years of experience in private equity investment focussing on technology, entertainment, engineering, infrastructure, speciality chemicals, agro-products, and apparel and consumer products. Mr Dalmia is a private equity investor through his investment vehicle First Capital. He is the founder & Chairman of Landmark Land Holdings. Mr Dalmia co-founded Infinity and Evolvence India. He is a member of the Investment Committee of GW Capital India. He was selected by the World Economic Forum as a Global Leader for Tomorrow for the year 2000. He has been the director of our Company since August 26, 2009.

Mr. Nachiket Bhagwan Joshi is an Independent Director of our Company. He holds a Bachelors degree in Science from University of Delhi in the year 1987, and also a Bachelor of Law from University of Delhi in the year 1990. He has over eighteen years of experience as a Supreme Court Advocate and area of expertise are criminal laws, general civil laws and labour laws. Among others he has advised companies like Yamaha India, Vodafone Essar Limited, Electrolux, Tata Steel Limited, Escorts Limited, Alcatel Lucent, Tribune etc. He is appointed as director of the Company with effect from September 21, 2009

Remuneration of our Executive Directors

Mr. Lalitkumar Jain

Mr. Lalitkumar Jain was appointed as Managing Director by the board resolution dated February 3, 2007 for a period of 5 years commencing from January 1, 2007 to December 31, 2011 and by our shareholders at the Extra-Ordinary General Meeting held on February 6, 2007. A commission in addition to the salary and perquisites, is payable which may be determined by our board and which is subject to the ceiling specified in Section 198 and Section 309 of the Companies Act. The exact amount payable shall be determined based on certain performance criteria.

The details of remuneration include the following:

Particulars	Remuneration
Basic Salary	A salary of Rs. 600,000 (Rupees Six Hundred Thousand only) per month in the grade of Rs. 600,000 – Rs. 3,000,000
Provident Fund	Contribution to Provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961
Gratuity	Gratuity to be paid as per rules of the Company
Perquisites	Perquisites are classified into three categories ‘A’, ‘B’, and ‘C’ as follows : Category ‘A’ This will comprise House Rent Allowance, Leave Travel Concession, Medical Reimbursement, fees of clubs and personal accident insurance. These may be provided as under: a) Housing I: The expenditure by the Company on hiring furnished accommodation will be subject to

Particulars	Remuneration
	the following ceiling : Sixty per cent of the salary over and above ten per cent payable by the Managing Director. Housing II : In case the accommodation is owned by the Company, ten per cent of the salary of the Managing Director shall be deducted by the Company. Housing III : In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I. Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of Managing Director. b) Medical Reimbursement : Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. c) Leave Travel Concession: For the Managing Director and his family in accordance with the rules of the Company. d) Club Fees : Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees. e) Personal Accident Insurance: Premium not to exceed Rs. 5,000 p.a. Explanation : For the purpose of Category 'A', 'Family' means the spouse, the dependent children and dependent parents of the Managing Director. Category 'B' a) Contribution to Provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961. b) Gratuity to be paid as per rules of the Company. c) Encashment of leave at the end of the tenure. d) Retirement and other benefits as per rules of the Company. Category 'C' Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed by the Company to the Managing Director. Notwithstanding, anything herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above.

During the above tenure of five years, if the Company does not make any profits or the profits are inadequate, the salary and perquisites as specified above shall be payable to Mr. Lalitkumar Jain, subject to provisions of Section 198, 309 read with Schedule XIII of the Companies Act, 1956, as minimum remuneration. The remuneration paid to Mr. Lalitkumar Jain for fiscal 2009 was Rs. 11,860 and there is no deferred or contingent compensation payable to any of our directors.

Details of Borrowing Powers of Our Directors

Our Articles, subject to the provisions of Section 293(1)(d) of the Companies Act authorize our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company, through a resolution passed at the extra-ordinary general meeting held on December 6, 2007, authorised our board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 10,000 million at any time.

Payment or benefit to directors/ officers of our Company

Mr. Lalitkumar Jain is entitled to receive royalty of 0.25% of the annual turnover of RVPPL as under the Tradename License Agreement dated January 15, 2009, 0.25% of the annual turnover of KBTVPL as under the Tradename License Agreement dated July 26, 2008 and annual royalty fee of 1% of all other subsidiaries of the turnover of KUDL as under the Trademark License Agreement dated April 5, 2006.

Apart from the remuneration of certain of our directors as stipulated in the section titled "Our Management – Remuneration of Our Executive Directors", our directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act and the rules made there-under and actual travel, boarding and lodging expenses for attending the board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations. Except as indicated above, all non-executive directors are eligible for sitting fees of Rs.10,000 for each board meeting that he/she attends and Rs.10,000 for each meeting of a committee of the board.

Except as stated in this section titled "Our Management", 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 our officers. We have not entered into any contract with any of our Directors providing for any benefits upon termination of employment.

Interest of Directors

All of our directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company (if any). One of our directors, Mr. Lalitkumar Jain is also our Promoter. Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The lands or interest in the lands acquired by our Company or our subsidiaries from our directors are as follows; Our director Ms. Krutikumar Jain has entered into an MoU with our Company dated September 18, 2009 wherein we propose to acquire 24.41 acres in Yeolewadi, Pune. Mr. Shailesh Hingarh has entered into an MoU with our Company dated September 18, 2009 wherein we propose to acquire 8.16 acres in Lohegaon, Pune. Further, Ms. Krutikumar Jain and Mr. Shailesh Hingarh have also entered into agreements with our Subsidiaries in relation to some of the lands in which our Subsidiaries have an interest in.

Except as stated above and in the section titled "Related Party Transactions", our directors do not have any other interest in our business. Further, please refer to the section titled "Our Promoter - Interests of Promoters and Common Pursuits".

Our Articles provide that our directors and officers shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses which they may incur or become liable for, by reason of any contract entered into or act or deed done by them as such officer or servant or in any way in the discharge of their duties, or if such officer or employee becomes personally responsible or liable for the payment of any sum primarily due from the Company.

Our Articles further provide that where our directors become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charge or security cover affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors any loss in respect of such liability.

Shareholding of our Directors in the Company

Except as provided hereunder, no other directors hold any shares in the share capital of our Company.

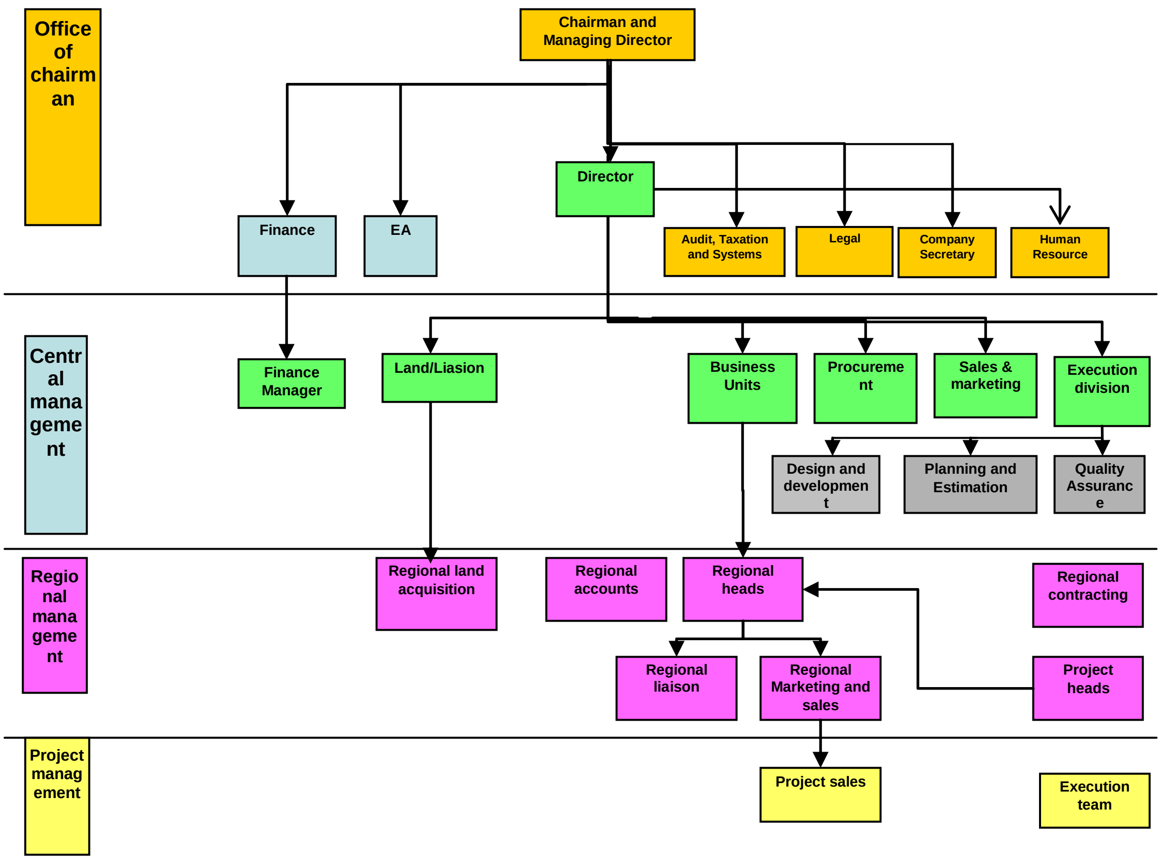
Sl.No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Percentage Shareholding (%)
1.	Mr. Lalitkumar Jain	43,743,938	45.59	[●]
2.	Ms. Kruti Jain	6,057,477	6.31	[●]
3.	Mr. Shailesh Hingarh	14,000	0.01	[●]
4.	Mr. Kishore Biyani	7000	0.01	[●]
5.	Mr. Gaurav Dalmia	7000	0.01	[●]
6.	Mr. Nachiket Bhagwan Joshi	7000	0.01	[●]
7.	Mr. Prakash Chandrashekhar Bhalerao	7000	0.01	[●]

Our Articles provide that directors are not required to hold any qualification shares.

Changes in our board of directors during the last three years

Name	Date of Appointment	Date of Change/ Cessation	Reason
Mr. Srinivasan Kannan	February 3, 2007	March 4, 2009	Resigned
Mr. Shashi Bhushan Budhiraja	February 3, 2007	November 8, 2007	Resigned
Mr. Prakash Bhalerao	February 3, 2007	Not Applicable	Appointed as a director
Mr. Viresh Parekh	June 1, 2001	February 3, 2007	Resigned
Mr. Kishore Biyani	December 20, 2007	Not Applicable	Appointed as a director
Mr. Kishore Biyani			Resigned
Mr. Kishore Biyani	January 9, 2008	Not Applicable	Appointed as a director
Ms. Kruti Jain	December 2, 2006	Not Applicable	Appointed as a director
Mr. Gaurav Dalmia	August 26, 2009	Not Applicable	Appointed as a director
Mr. Nachiket Bhagwan Joshi	September 21, 2009	Not Applicable	Appointed as a director

Managerial Organization Structure



Corporate Governance

We have complied with the SEBI Regulations with respect to corporate governance especially with respect to broad basing of our board, constituting committees such as Audit Committee, Remuneration Committee, Shareholders' and Investors' Grievance Committee. In addition thereto, the Board of Directors of the Company has also constituted Finance Committee of the Board of Directors and Initial Public Offering Committee to supervise the Initial Public Offering process of our Company. Further, the provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We have complied with such provisions, including with respect to the appointment of independent directors to our board and the constitution of the Investor Grievances Committee. We have also adopted the Corporate Governance Code in accordance with Clause 49 of the listing agreements to be entered into with the Stock Exchanges prior to listing.

The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our board has seven (7) Directors, of which the Chairman of the board is an executive director, and in compliance with the requirements of Clause 49 of the Listing Agreement, we have one executive Director and six non-executive Directors.

Audit Committee

The Audit Committee was constituted by our directors at their board meeting held on February 3, 2007. On September 25, 2009 Audit Committee was reconstituted and currently consists of 3 (three) members comprising Mr. Shailesh Hingarh, Mr. Prakash Chandrashekhar Bhalerao and Mr. Gaurav Dalmia. Mr. Prakash Chandrashekhar Bhalerao is the Chairman of the Audit Committee.

The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

The terms of reference of the Audit Committee include:

- Overseeing the Company's financial reporting process and disclosure of its financial information.
- Regular review of accounts, accounting policies, disclosures, etc.
- Regular review of the major accounting entries based on exercise of judgment by management.
- Qualifications in the draft audit report.
- Establishing and reviewing the scope of the statutory audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board, with particular reference to matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause 2(AA) of S.217 of the Companies Act, 1956, changes in the accounting policies and practices and reasons for the same, significant adjustments made in the financial statements arising out of audit findings, and qualifications in the draft audit report.
- The Committee shall have post audit discussions with the statutory auditors to ascertain any area of concern.
- Regular review of the performance of statutory and internal auditors together with the management.
- Discussion and follow up on any important findings with the internal auditors. In case there is a suspected case of fraud or irregularity, review of the findings of the internal auditors and reporting the matter to the board.
- Establishing the scope and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems including structure of the internal audit department, frequency of internal audit, staffing and seniority of the official heading the department. Review the functioning of the whistle blower mechanism, in case the same is existing.
- To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders and creditors.
- To look into the matters pertaining to the Director's Responsibility Statement with respect to compliance with applicable accounting standards and accounting policies.
- Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
- The Committee shall look into any related party transactions i.e., transactions of the company of material nature and disclose such transactions, with promoters or management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee.
- Approval of payments to the statutory auditors for any other services rendered by them.
- Review of management discussion and analysis of financial condition and results of operations, statements of related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

- To review, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, if any monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

The powers of the audit committee shall include the power:

- To investigate activity within its terms of reference.
- To seek information from any employees.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Shareholders' and Investors' Grievance Committee

The Investor Grievance Committee was constituted by our directors at their board meeting held on February 3, 2007. This Committee is responsible for the redressal of shareholders and investors' grievances and consists of three members viz. Mr. Nachiket Joshi, Ms. Kruti Jain and Mr. Kishore Biyani. Mr. Nachiket Joshi is the chairman of the Shareholders' and Investors' Grievance Committee.

The terms of reference of the Investor Grievance Committee include:

- Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Remuneration Committee

The Remuneration Committee was constituted by our directors at their board meeting held on February 3, 2007. This Committee is responsible for the determining and recommending the board terms of remuneration as set out below and consists of three members viz. Mr. Nachiket Joshi as Chairman, Ms. Kruti Jain and Mr. Prakash Chandrashekhar Bhalerao.

The terms of reference of the Remuneration Committee include:

- Framing suitable policies and systems to ensure that there is no violation, by an employee or Kumar Urban Development Limited of any applicable laws in India or overseas, including:
    - (a) The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
    - (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995.
- Determine on behalf of the Board and the shareholders the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments.
- Perform such functions as are required to be performed by the Compensation Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Finance Committee

The Finance Committee was constituted by our directors at their board meeting held on May 14, 2007. This Committee was further re-constituted at a meeting of Board of Directors held on September 21, 2009 where Mr. Gaurav Dalmia was inducted to the committee and appointed as chairman of the Committee. The Committee is responsible for deciding on borrowings, investments and strategic tie-ups *interalia* upto a ceiling and consists of five members namely, Mr. Gaurav Dalmia, Mr. Lalitkumar Jain, Mr. Shailesh Hingarh, Mr. P.C. Bhalerao and Ms. Kruti Jain.

Key Managerial Personnel

Apart from the Chairman & Managing Director and Executive Director, the following are our key managerial personnel.

Mr. Premnath, 39 years, is currently the General Manager of Operations of our Company. He is responsible for all technical, construction and operation matters in our Company. He has done his Bachelors in Civil Engineering from Kerala University in the year 1991 and Master of Science in Project Management from National University of Singapore in the year 2006. He joined our Company on July 1, 2007 as General Manager of Operations. Prior to joining our Company he worked with Kajima Overseas Asis Singapore. He has eighteen years of experience in the construction industry and project management. The remuneration paid to him for Fiscal 2009 was Rs. 2.44 million.

Mrs. Sheetal Joshi, 29 years, is a Company Secretary of our Company. She is the compliance officer of our Company. She is responsible for all compliances of corporate matters in our Company. She completed her Company Secretary, final examinations in the year 2001 from The Institute of Company Secretaries of India. She has done her Bachelors degree in Commerce from Pune University in the year 2000, Diploma in Business Management from Pune University in the year 2002 and Bachelors in Laws from Pune University in the year 2003. She joined our Company on July 10, 2006 as our company secretary. Prior to joining our Company she had her own independent practice. She is an Associate member of the Institute of Company Secretaries of India. She has six years experience in this profession. The remuneration paid to her for Fiscal 2009 was Rs. 0.3 million.

Mr. Santosh Maheshwari, 37 years, is Head of the Company's Audit, Taxation and Systems. He is responsible for all internal audit, taxation and information technology matters. in our Company. He has done his Bachelors degree in Commerce from RA Podar College, Mumbai in the year 1993, Software Technology Systems Management from National Institute of Information Technology in the year 1994 and Associate Member of the Institute of Cost & Works Accountants of India from the Institute of Cost and Works Accountants of India in the year 1996. He is a Chartered Accountant by profession from the Institute of Chartered Accountants of India. He joined our Company on August 14, 2007 as Head of audit system, taxation and information technology. Prior to joining our Company he worked with Ocwen Financial Solutions Limited, Bengaluru He has also worked with Tata Technologies Limited and Zensar Technologies Limited. He has thirteen years of experience in audit and management consultancy. The remuneration paid to him for Fiscal 2009 was Rs. 2.16 million. .

Mr. Sumesh Kumar Mishra, 28 years, is the General Manager of Finance of our Company. He is responsible for financial and strategic planning of the Company. He is a qualified Charterd Accountant from the Institute of Chartered Accountants of India and has done his Masters in Business Administration from Mumbai University in the year 2005. He joined our Company on December 8, 2006 as a Finance Executive. He has worked with JP Morgan Chase and Brescon Corporate Advisors. He has five years of experience in project financing, debt restructuring and private equity funding. The remuneration paid to him for Fiscal 2009 was Rs. 1.5 million.

Mr. Suhas Kale, 40 years, is the Head of Design and Development of our Company. He is responsible for design and development of projects an finalisation of the design. He has done his Bachelors degree in civil engineering from Walchand Institute of Technology, Solapur in the year 1990. He joined our Company on November 19, 2001 as a Project Manager. He has worked with Naik Navare and Associates, DS Kulkarni and Panchsheel. He has nineteen years of experience in real estate including in township, SEZ, residential and commercial segments. The remuneration paid to him for Fiscal 2009 was Rs. 0.72 million.

Mr. Rajendra Bhagat, 34 years, is the Head of Sales of our Company. He is responsible for residential sales. He has done his Bachelors in Production Engineering from Nagpur University in the year 1997 and his Masters in Business Administration (Marketing) from Nagpur University in the year 2000. He joined our Company on January 1, 2004 as a Sales Executive. Prior to joining our Company he worked with Goel Ganga Group, Pune and Agricultural Institute Services, Pune. He has nine years of experience in sales and marketing. The remuneration paid to him for Fiscal 2009 was Rs. 0.33 million.

Mr. Viresh Parekh 44 years is the Head of business development, purchase and contract of our Company. He currently handles commercial responsibilities related to land acquisition. He has done his Bachelors degree in Commerce from Garware College, Pune in the year 1985, Diploma in Computer Applications from Symbiosis College, Pune in the year 1987 and Master in Management Science from Pune University in the year 1992.He joined our Company on June 1, 1986 as an Accountant. He has 23 years of experience in land acquisition and financial management. The remuneration paid to him for Fiscal 2009 was Rs. 1.8 million.

Mr. Riyaz Shaikh, 34 years, is the Assistant General Manager of Purchase of our Company. He is responsible for all purchase orders. He has done his Diploma in Mechanical Engineering from Pune University in the year 1995, Bachelor of Business Administration from CSM Institute of Graduate Studies in the year 2001, Post Graduate Diploma in Business Management from Pune University in the year 2003, Master of Management Science (Human Resources) from Pune University in the year 2004, Metal and Production Management Materials and Human Resources from Pune University in the year 2006. He joined our Company on February 11, 2008 as Assistant General Manager of Purchase. He has worked with Thermax B&W, Tata Honeywell Auto and K. Raheja Group. He has fourteen years of experience in commercial operations and supply chain management. The remuneration paid to him for Fiscal 2009 was Rs. 0.9 million.

Mr. Ashok Mundra, 53 years, is the Chief Engineer, Mumbai of our Company. He is responsible for all construction and technical operations for the Mumbai region. He has done his Diploma in civil engineering from Pune University in the year 1976. He joined our Company on June 1, 2009 as Chief Engineer, Mumbai. He has worked with Amrut Runwal, Ramesh Builders, Pune, Kalpataru Overseas Private Limited and Eastern Limited, Sharjah. He has thirty two years of experience in the construction and real estate industry. The remuneration paid to him for Fiscal 2009 was Rs. 1.25 million.

Mr. Sanjay Parmar, 26 years, is Head of the Company's Liasoning & Purchase Department of Mumbai Branch, He is responsible for all liasoning work with Mantralya & Municipal corporation of Greater Mumbai matters in our Company, as well as Procurement & Site Co-ordination for all Mumbai Projects, in our Company. He has done his Bachelors degree in Commerce from Jai-Hind College, Mumbai in the year 2003, Diploma Course Software Programming in the year 2002, Fulltime Management Business Administration in (Marketing & finance) from Indian Institute of Planning and Management, Mumbai in the year 2006, He joined our Company as Management Trainee on 9th May 2006 for site co-ordination & procurement, He has started his carrer with Distributors of Polycab Wires & Cables as Sales Executive while Pursuing his graduation. The Remuneration paid to him for Fiscal 2009 was Rs.0.60 Million.

Mr. Chetan Siroya, 29 years, is the Head of public relations and land of our Company. He is responsible for land acquisition. He has done his Bachelors degree in Commerce from Wadia College, Pune University in the year 2001. He joined our Company on October 19, 2006 as a public relations officer. He has eight years experience in public relations and land acquisition. The remuneration paid to him for Fiscal 2009 was Rs. 0.8 million.

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

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold Equity Shares in our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

As on the date of filing this Draft Red Herring Prospectus, we do not have a bonus or profit sharing plan for our Key Managerial Personnel.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in the Company, if any.

None of our Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Changes in the Key Managerial Personnel

The changes in the key managerial personnel in the last three years are as follows:

Name of the Key Managerial Person	Date of Change	Reason for change
Akella Ramakrishna Shastry	September 30, 2007	Resignation
B. H Tingre	March 31, 2008	Resignation
Anil Nemawarkar	June 30, 2008	Resignation
Anil Thampy	June 30, 2008	Resignation
Deepak Shah	September 30, 2008	Resignation
S Viswanathan	August 31, 2009	Resignation
Prabha Shankar	January 6, 2009	Resignation

Other than the above changes, there have been no changes to the Key Managerial Personnel of the Company that are not in the normal course of employment.

Employee Stock Option Plan

Our Company does not have any employee stock option plan.

Payment or Benefit to Officers

No amount or benefit has been paid or given by our Company within the two preceding years or is intended to be paid or given to any officer.

OUR PROMOTER

The individual promoter of our Company is Mr. Lalitkumar Jain. The corporate promoters of our Company are Sukumar Housing and Finance Private Limited and Krutikumar Realty Holdings Private Limited. Lalitkumar Jain HUF is also one of our Promoters.

Individual Promoter

Mr. Lalitkumar Jain

Driving license No.: 81-984

Passport No.: FO424641

PAN: AAYPJ2211J

Voter ID No. : MT/42/250/582231

Address:
2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001, Maharashtra (India)

For further details on Mr. Lalitkumar Jain, our Managing Director see 'Our Management - Brief Biographies of our Directors' on page 154.

We confirm that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Individual Promoter have been submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Our Corporate Promoters

Krutikumar Realty Holdings Private Limited

Krutikumar Realty Holdings Private Limited was incorporated on March 30, 2006 as a private limited company. Its registered office is situated at 2nd floor, Kumar Capital, 2413, East Street, Camp, Pune, 411 001. The company is engaged in the business of real estate developers, housing infrastructure developers, and building contractors.

It is promoted by Mr. Lalitkumar Jain and its shares are not listed on any stock exchange. It has also not been declared as a wilful defaulter.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding

The shareholding pattern of the equity shares of Krutikumar Realty Holdings Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	4,500	45%
2.	Ms. Madhu Lalitkumar Jain	4,500	45%
3.	Ms. Kruti Lalitkumar Jain	1,000	10%

S. No.	Name of the shareholder	No. of shares	Percentage (%)
	Total	10,000	**100.00**

Directors

The Board of directors of Krutikumar Realty Holdings Private Limited comprises of Mr. Lalitkumar Jain and Ms. Kruti Lalitkumar Jain.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	0.30	0.57	-
Sales and Other income	-	0.60	-
Profit/(Loss) After Tax	0.27	0.57	-
Earning per share** (Rs.)	(26.88)	57.33	-
Diluted EPS	(26.88)	57.33	-
Net Asset Value/Book value per share (Rs.)	40.45	67.33	9.37

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Sukumar Housing and Finance Private Limited

Sukumar Housing and Finance Private Limited was incorporated on December 24, 1993 as a private limited company and carry on the business of builders, contractors, property agents, promoters of corporate or joint ownership housing societies, and to acquire, buy, lease, sell for the purposes of investments, resale and development of land and house or other properties of any interest therein. Its registered office is situated at Ali Chambers, Office No. 7, Nagindas Master Road, Fort, Mumbai 400 023.

It is promoted by Mr. Lalitkumar Jain and its shares are not listed on any stock exchange. The company has not been declared as a wilful defaulter and has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding

The shareholding pattern of equity shares of Sukumar Housing and Finance Private Limited is as follows:

S. No.	Name of the shareholder	No. of equity shares	Percentage (in %)
1.	Mr. Lalitkumar Jain	800	80
2.	Ms. Madhu Lalitkumar Jain	200	20
	Total	**1,000**	**100**

S. No.	Name of the shareholder	No. of preference shares	Percentage (in %)
1.	Omved Turnkey Project Developers Private Limited	21,000	28.38
2.	GCM Housing and Finance Limited	53,000	71.62
	Total	**74,000**	**100.00**

Directors

The current board of directors of Sukumar Housing and Finance Private Limited comprises of Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10

Reserves and Surplus*	9.44	9.23	8.87
Sales and Other income	0.26	0.98	7.42
Profit/(Loss) After Tax	0.22	0.36	6.32
Earning per share** (Rs.)	217.13	356.09	6323.16
Diluted EPS	217.13	356.09	6323.16
Net Asset Value/Book value per share (Rs.)	9544.24	9327.11	8971.01

* *Excluding revaluation reserves*
** *Face value of Rs. 100 each*

We confirm that the Permanent Account Numbers, Bank Account Numbers, Company registration numbers and address of the Registrar of Companies of our Promoters have been submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Other Promoters

Lalitkumar Jain HUF

The HUF came into existence on April 30, 1985 and Mr. Lalitkumar Jain is the Karta of the HUF and the Lalitkumar Jain HUF is one of our Promoters.

Interest of our Promoters and Common Pursuits

Our Promoters are interested in us to the extent that they have promoted our Company and their shareholding in us. Further, our individual Promoter who is also the Director of our Company and may be deemed to be interested to the extent of fees, if any, payable to him for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to him as disclosed in 'Our Management - Brief Biographies of our Directors' on page 154. Further, our Individual Promoter is also a director on the boards of or is a member of certain Group Companies including our subsidiaries and they may be deemed to be interested to the extent of the payments made by us, if any, to these Group Companies. For further interest, of our Directors, see the section 'Our Management - Interests of Directors' on page 157.

Our Individual Promoter is entitled to certain royalty and lease rental payments. For details see ' Business' on page 101. Further, our business locations in Mumbai and Pune from where we operate our business are currently owned by Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain. For details see 'Business' on page 101. Also, see 'Related Party Transaction' on page 178. Our Promoter also holds certain shareholding in our subsidiaries. See 'History and Corporate Structure' on page 141. We also are entitled to certain interest when we make payments to our group companies.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by us other than in the normal course of business. Also, see 'Related Party Transaction' on page 178.

Payment or Benefit to Promoters

Except as stated in "Related Party Transactions" on page 178, no amount or benefit has been paid or given to any Promoter within the two years preceding the date of filing of this Draft Red Herring Prospectus and no such amount or benefit is intended to be paid.

Confirmations

Further, none of our Promoters has been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Defaults" beginning on page 293. Also none of Promoters, who was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the Board.

GROUP COMPANIES

Details of our Group Entities are provided below:

I. Corporate Entities

A. Top five group companies based on turnover are as follows

1. L.K. Urban Development Private Limited

L.K. Urban Development Private Limited was incorporated on April 23, 2008 as a private limited company and carries on business as real estate developers, urban infrastructure developers, building contractors and engineers.

Shareholding

The shareholding pattern of equity shares of L.K. Urban Development Private Limited is as follows

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	5000	50%
2.	Ms. Kruti Jain	5000	50%
	TOTAL	**10,000**	**100.00**

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital (par value Rs. 10)	0.10	-	-
Reserves and surplus *	(0.01)	-	-
Sales and other income	-	-	-
Profit/Loss after tax	(0.01)	-	-
Earning per share** (Rs.)	0.00	-	-
Diluted EPS** (Rs.)	0.00	-	-
Net Asset Value/Book value per share (Rs.)	8.93	0	0

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

2. Kumar Horticulture Private Limited

Kumar Horticulture Private Limited was incorporated on March 20, 1992 as a private limited company and is engaged in the business of cultivating plants, flowers, roots and algae for sale, export, import for use in horticulture and agro-based industries.

Shareholding

The shareholding pattern of equity shares of Kumar Horticulture Private Limited is as follows

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	510	51
2.	Lalitkumar Jain (HUF)	160	16
3.	Ms. Madhu Lalitkumar Jain	150	15
4.	Ms. Kruti Lalitkumar Jain	90	9
5.	Mr. Pranay Lalitkumar Jain	90	9
	TOTAL	**1,000**	**100.00**

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	3.94	4.28	4.54
Sales and other income	0.01	0.09	0.13
Profit/Loss after tax	(0.34)	(0.25)	(0.19)
Earning per share** (Rs.)	(341.32)	(254.17)	(188.91)
Diluted EPS** (Rs.)	(341.32)	(254.17)	(188.91)
Net Asset Value/Book value per share (Rs.)	4041.61	4365.52	4615.33

* *Excluding revaluation reserves*
** *Face value of Rs. 100 each*

3. Kumar e-Commerce Private Limited

Kumar e-Commerce Private Limited was incorporated on May 25, 2000 as a private limited company and is engaged in the business of providing information technology services, software and hardware developments services, establishing and operating computer and data processing centres and dealing in all kind of computers and related computer accessories.

The shareholding pattern of equity shares of Kumar e-commerce Private Limited is as follows

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	10	0.1
2.	Mrs. Madhu Lalitkumar Jain	10	0.1
3.	Mr Ishwar Namdeo Garud	2500	25
3.	Mr. Sunil Pol	4980	49.8
4.	Mr. Sanjay Ghanvat	2500	25
	TOTAL	**10,000**	**100.00**

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	-	-	-
Sales and other income	-	-	-
Profit/Loss after tax	-	-	-
Earning per share** (Rs.)	-	-	-
Diluted EPS ** (Rs.)	-	-	-
Net Asset Value/Book value per share (Rs.)	5.93	5.93	8.51

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

4. Ketki Properties and Estates Private Limited

Ketki Properties and Estates Private Limited was incorporated on December 11, 1991. as a private limited company and is engaged in the business of purchasing, leasing and otherwise acquiring lands to develop, lease and transfer the same.

The shareholding pattern of equity shares of Ketki Properties and Estates Private Limited is as follows:

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	920	92
2.	Mrs. Madhu Lalitkumar Jain	40	4
3.	Mr. Ishwar Sanghavi	10	1
4.	Mr. Jitendra Sanghavi	10	1
5.	Mr. Madhu Sanghavi	10	1
6.	Mr. Nirupama Sanghavi	10	1

	TOTAL	**1,000**	**100.00**

Financial Performance

(Rs. in millions except per share data)

Particulars		For the year ended	
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	13.09	13.04	13.08
Sales and other income	0.11	0.16	0.14
Profit/Loss after tax	0.05	(0.04)	0.08
Earning per share** (Rs.)	48.62	(37.13)	80.22
Diluted EPS** (Rs.)	48.62	(37.13)	80.22
Net Asset Value/Book value per share (Rs.)	13,189.27	13,137.73	13,174.38

* *Excluding revaluation reserves*
** *Face value of Rs. 100 each*

5. Sukumar Machines and Constructions Private Limited

Sukumar Machines and Constructions Private Limited was incorporated on December 6, 1979 as a private limited company in the name and style of Doongursee Machines and Constructions Private Limited and vide a fresh certificate of incorporation dated January 14, 1997 changed its name to Sukumar Machines and Constructions Private Limited and is engaged in business of purchasing for investment or resale, and trafficking in land and house and other property of any tenure and any interest therein.

The shareholding pattern of equity shares of Sukumar Machines and Constructions Private Limited is as follows:

S. No.	Shareholder	Number of shares	Percentage (%)
1.	Mr. Lalitkumar Jain	510	51
2.	Mr. Pranay Lalitkumar Jain	90	9
3.	Ms. Kruti lalitkumar Jain	90	9
4.	Ms. Madhu lalitkumar Jain	150	15
5.	Lalitkumar Jain (HUF)	160	16
	TOTAL	**1,000**	**100.00**

Financial Performance

(Rs. in millions except per share data)

Particulars		For the year ended	
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	5.56	5.91	4.90
Sales and other income	0.72	1.74	1.20
Profit/Loss after tax	(0.35)	0.96	(1.64)
Earning per share** (Rs.)	(354.31)	958.45	(1,638.58)
Diluted EPS** (Rs.)	(354.31)	958.45	(1,638.58)
Net Asset Value/Book value per share (Rs.)	5658.46	6012.76	5003.21

* *Excluding revaluation reserves*
** *Face value of Rs 100 each*

B. Other Group Companies

1. Orange City Infrastructure Development Private Limited

Orange City Infrastructure Development Private Limited was incorporated on April 23, 2008 as a private limited company and carries on the business of real estate development. Our Promoter, Mr. Lalitkumar Jain holds 5,000 equity shares of Orange City Infrastructure Development Private Limited, i.e. 50% of the issued and paid up capital of Orange City Infrastructure Development Private Limited and the remaining shares are held by a person falling under the promoter group.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	-	-
Reserves and Surplus*	-	-	-
Sales and other income			
Profit/Loss after tax	(0.01)	-	-
Earnings per share** (Rs.)	(1.20)	-	-
Diluted EPS** (Rs.)	(1.20)	-	-
Net Asset Value/Book value per share (Rs.)	8.80	-	-

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

2. *Pune Rehabilitation Projects Private Limited*

Pune Rehabilitation Projects Private Limited was incorporated on November 19, 2003 as a private limited company and carries on the business of acquiring land and estates for the purpose of implementing rehabilitation schemes and real estate development. Our Promoter, Mr. Lalitkumar Jain holds 5,000 equity shares of Pune Rehabilitation Projects Private Limited, i.e. 50% of the issued and paid up capital of Pune Rehabilitation Projects Private Limited and the remaining shares are held by a person falling under Promoter Group.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	(0.11)	(0.06)	-
Sales and other income	-	-	-
Profit/loss after tax	(0.05)	(0.06)	-
Earnings per share** (Rs.)	(5.37)	(5.82)	-
Diluted EPS** (Rs.)	(5.37)	(5.82)	-
Net Asset Value/Book value per share (Rs.)	(1.20)	4.18	7.53

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

3. *Pune Urban Estates Private Limited*

Pune Urban Estates Private Limited was incorporated on March 27, 2006 as a private limited company and is engaged in business of real estate development and redevelopment. Our Promoter, Mr. Lalitkumar Jain (HUF) holds 9500 equity shares in Pune Urban Estates Private Limited, i.e. 95% of the issued and paid up capital of Pune Urban Estates Private Limited and the remaining shares are held by a person falling under Promoter Group.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended		
	March 31, 2009	**March 31, 2008**	**March 31, 2007**
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	(2.01)	(0.64)	(0.01)
Sales and other income	-	-	-
Profit/Loss after tax	(1.38)	(0.63)	(0.01)
Earnings per share** (Rs.)	(137.67)	(62.90)	(0.68)
Diluted EPS** (Rs.)	(137.67)	(62.90)	(0.68)
Net Asset Value/Book value per share (Rs.)	(191.25)	(54.25)	8.49

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

4. ***Sublime Infrastructure Private Limited***

Sublime Infrastructure Private Limited was incorporated on August 13, 2007 as a private limited company and is engaged in business of development of infrastructure facilities including real estate. Our Promoter, Mr. Lalitkumar Jain holds 5100 equity shares in Sublime Infrastructure Private Limited, i.e. 51% of the issued and paid up capital of Sublime Infrastructure Private Limited and the remaining shares are held by a person not forming part of our group.

Financial Performance

(Rs. in millions except per share data)

Particulars	For the year ended March 31, 2009	March 31, 2008	March 31, 2007
Equity Share Capital	0.10	0.10	-
Reserves and Surplus*	(0.35)	-	-
Sales and other income	-	-	-
Profit/Loss after tax	(0.35)	-	-
Earnings per share** (Rs.)	(34.58)	-	-
Diluted EPS** (Rs.)	(34.58)	-	-
Net Asset Value/Book value per share (Rs.)	(24.58)	9.63	-

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

5. **Sukumar e-Commerce Limited**

Sukumar e-Commerce Limited was incorporated on May 25, 2000 as a private limited company which was subsequently converted into a public limited company with effect from November 8, 2000 and is engaged in providing all kind of information and technology services in India as well as to overseas customers. Our Promoters, Mr. Lalitkumar Jain, Lalitkumar Jain (HUF) and Sukumar Housing and Finance Private Limited collectively holds 91,300 equity shares in Sukumar e-Commerce Limited, i.e. 50.25% of the issued and paid up capital of Sukumar e-Commerce Limited and the remaining shares are held by persons falling under promoter group and companies not forming part of our Group Companies.

6. ***Symphony Club Private Limited***

Symphony Club Private Limited was incorporated on December 6, 2004 as a private limited company and is engaged in business of building and operating sports and recreational facilities. Our Promoter, Mr. Lalitkumar Jain holds 6,000 equity shares in Symphony Club Private Limited, i.e. 60% of the issued and paid up capital of Symphony Club Private Limited and the remaining shares are held by persons falling under the promoter group and other entities which do not form part of our Group Companies.

II. Partnerships

1. ***Avi Constructions***

Avi Constructions was formed pursuant to a deed of partnership dated February 6, 1992. Our Promoter, Lalitkumar Jain became a partner in Avi Constructions on January 12, 1996 and with effect from April 1, 1999, our corporate Promoter, Sukumar Housing and Finance Private Limited also became a partner of Avi Clonstructions and a deed of re-constitution of partnership was executed between our promoters, Mr. Lalitkumar Jain and Sukumar Housing and Finance Private Limited and the other partners of the firm. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001. It is engaged in the real estate business.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)

Mr. Lalitkumar Jain	30
Sukumar Housing and Finance Private Limited	25
Others	45
Total	**100**

2. Techno Lifestyle Development Corporation

Techno Lifestyle Development Corporation was formed pursuant to a deed of partnership dated March 1, 2005 entered into between our Company and Mr. Anuj Maneklal Bhandari. It was subsequently reconstituted vide deed of reconstitution of partnership dated January 3, 2007 whereby Mr. Lalitkumar Jain and Positive Lifestyle Developers Private Limited have been admitted into the partnership firm as partners. Its principal office is located at 1182/1/3, First Floor, F.C. Road, Pune 411 005. It is engaged in the business of real estate.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Kumar Urban Development Limited	45
Positive Lifestyle Developers Private Limited	45
Lalitkumar Jain	5
Anuj Maneklal Bhandari	5
Total	**100**

3. Kumar Estates

Kumar Estates was formed pursuant to a deed of partnership dated September 19, 2001 between KHCL and others. Subsequently, the partnership firm was reconstituted vide a deed of retirement and new partnership deed dated July 8, 2008 whereby our Company retired from Kumar Estates. It is engaged in the development of slum area.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Kumar Housing Corporation Limited	1
Pune Rehabilitation Projects Private Limited	99
Total	100

4. Kumar Developers

Kumar Developers was formed pursuant to a deed of partnership dated March 11, 2002 between our Promoter Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain. It was reconstituted by a deed of retirement and new partnership dated October 8, 2008 whereby Ms. Madhu Lalitkumar Jain retired from the partnership. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001. It is engaged in the business of real estate.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Mr. Lalitkumar Jain	99
Sukumar Housing and Finance Private Limited	1
Total	**100**

5. Oswal Nibjiya Mutha Associates

Oswal Nibjiya Mutha Associates was formed pursuant to a deed of partnership dated April 9, 1999. Our Company joined the partnership firm with effect from Septemeber 30, 2001. Subsequently, it was reconstituted vide a deed of retirement and new partnership dated April1, 2008 whereby Greatcause Properties and Investment Private Limited and our Company have retired from the partnership and Pune Rehabilitation Projects Private Limited was admitted as a partner in the firm. It is engaged in the business of real estate and is promoted by our Promoter, Mr. Lalitkumar Jain.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Mr. Samit.R. Oswal	8.17
Ms. Amit.R. Oswal	8.16
Pune Rehabilitation Projects Private Limited	83.67
Total	**100**

6. Sadashiv Development

Sadashiv Development was formed pursuant to a deed of partnership dated November 18, 2001 between KHCL and others. Subsequently, it has been reconstituted by a deed of retirement and new partnership dated July 8, 2008 whereby our Company has retired from the partnership. Currently, Mr. Ramnivas Chetram Aggarwal, Pune Rehabilitation Projects Private Limited and Sukumar Realtors Capitals Private Limited are the partners of Sadashiv Development. It is engaged in the business of real estate.

Profit and Loss Sharing Ratio as of March 31, 2009 is as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Mr. Ramnivas Chetram Aggarwal (Bansal)	25
Pune Rehabilitation Projects Private Limited	74
Sukumar Realtors and Capitals Private Limited	1
Total	**100**

III. Trusts

1. *Kruti Family Trust*

The Kruti Family Trust was settled on October 18, 2005 by Mr. Lalitkumar Jain. Mr. Lalitkumar Jain and Ms. Madhu Lalitkumar Jain are the trustees of Kruti Family Trust.

IV. Association of Person/ Joint Ventures

1. *K .K Bazaar*

K K Bazaar was formed as an association of persons pursuant to a joint venture agreement dated October 27, 2004 between Kumar Housing Corporation Limited, RVPPL and our promoter, Lalitkumar Jain (HUF). Pursuant to a supplemental joint venture agreement dated May 3, 2007, RVPPL has exited form the association of persons with effect from March 15, 2007. Subsequently, vide a supplemental joint venture agreement dated July 30, 2007, K.K. Erectors has been admitted as an associated person in K.K. Bazaar. Its principal office is located at “B” Wing, K.K. Market, Off Satara Road, Dhankawadi, Pune 411 043 and is engaged in the business of running a wholesale superstore of garments, domestic products, merchandise and a discount mall.

The profits/loss before tax of Kumar Atman is to be shared as follows:

Name of Partners	Profit & Loss Sharing Ratio (%)
Kumar Housing Corporation Limited	9
Lalitkumar Jain HUF	52
K.K. Erectors	39
Total	**100**

2. Kumar Atman

Kumar Atman was formed as an association of persons pursuant to an agreement dated January 1, 2007 between Kumar Builder, the sole propriety concern of our Promoter, Mr.Lalitkumar Jain, Lalitkumar Jain (HUF) and others. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001. It is in the business of real estate.

The profits/loss before tax of Kumar Atman is to be shared as follows:

Name of Persons	Profit & Loss Sharing Ratio (%)
Kumar Builder	48.92
Lalitkumar Jain (HUF)	1.79
Others	49.29
Total	**100.00**

VI Proprietorship concern

Kumar Builder

Kumar Builder is a sole proprietorship concern of Mr. Lalitkumar Jain. It was initially formed as partnership firm vide a deed of partnership dated April 1, 2000 and was dissolved vide a deed of dissolution dated January 1, 2001. It is engaged in the business of development of properties. Its principal office is located at 2nd Floor, Kumar Capital, 2413, East Street, Camp, Pune 411 001.

For transactions between group companies if any see “Related Party Transactions” on page 178.

Other Confirmations

Further, our Promoters and Group Entities have further confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Additionally, none of the Promoters or Group Entities have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Litigation

For details relating to the legal proceeding involving the Promoters and Group Entities, see “Outstanding Litigation and Defaults” on page 293.

Common Pursuits

Some of our Group Entities have common pursuits and are involved in the construction and real estate sector. Kumar Builder, a propreitory concern which is owned by our Promoter, is engaged in the business or construction and development of real estate and is currently constructing a project. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see “Related Party Transactions” on page 178.

Sick Company

None of the Group Entities have become sick companies under the Sick Industrial Companies Act, 1985 and no winding up proceedings have been initiated against them. Further no application has been made, in respect of any of the Group Entities, to the Registrar of Companies for striking off their names.

Additionally, none of our Group Entities have become defunct in the five years preceding the filing of this Draft Red Herring Prospectus.

Disassociation by the Promoters in the last three years

Name of the Company	Relationship of the Promoter	Reasons for Disassociation	Date of Disassociation
Cerebrum IT Park Private Limited	Shareholder	Sale of stake	October 1, 2008
Ice Multiplex and Developers Private Limited	Shareholder	Sale of stake	February 1, 2007
KBR Developers Private Limited	Shareholder	Sale of stake	September 1, 2009
Kumar I.K.A. Builders and Developers Private Limited	Shareholder	Sale of stake	September 1, 2009
Pune City Multiplex and Developers Private Limited	Shareholder	Sale of stake	February 1, 2007
Pune Suburban Ventures Private Limited	Shareholder	Sale of stake	February 1, 2007
Rivero Properties and Investments Private Limited	Shareholder	Sale of stake	February 1, 2007
Shiv Prakruti Real Estates Private Limited	Shareholder	Sale of stake	February 1, 2007
Sukumar Realtors and Capitals Private Limited	Shareholder	Sale of stake	October 11, 2007
Amit Bhosale Developers Private Limited	Shareholder	Sale of stake	September 26, 2009
Kumar Krishimitra Bio-Products (I) Private Limited	Shareholder	Sale of stake	September 1, 2009
Idar Hotels Private Limited	Shareholder	Sale of stake	September 1, 2009
Pune Mumbai Realty	Shareholder	Sale of stake	April, 1, 2009

Further, pursuant to the family arrangement and corporate settlement arrived at between our Promoter, Mr. Lalitkumar Jain and his brothers, Mr. Vimalkumar Jain, Mr. Kewalkumar Jain and Mr. Inderkumar Jain and their respective families, a declaration cum indemnity was entered into whereby it was mutually decided between them to divide the business interests.

RELATED PARTY TRANSACTIONS

Related Party transactions on consolidated basis:

1. Related Parties

a) Names of related parties

a) Mr. Lalit Kumar Jain & Family have controlling stake in the Parent Company.

B. Name of the related parties with whom transactions have taken place during the year 2007, 2008 & 2009:

Enterprises owned and significantly influenced by the key management personnel or their relatives.	**Companies**	
	i.	Pune Urban Estates Pvt. Ltd.
	ii.	Sukumar Housing & Finance Pvt. Ltd.
	iii.	Amit Bhosale Developers Pvt. Ltd.
	iv.	Kumar Horticulture Pvt. Ltd.
	v.	Sukumar Machines & Constructions Pvt. Ltd.
	vi.	Sukumar E-Commerce Limited
	vii.	Pune Suburban Ventures Pvt. Ltd.
	viii.	Kumar Horticulture Pvt. Ltd.
	ix.	Sublime Infrastructure Development Pvt. Ltd.
	x.	Kumar I.K.A. Port Developers Pvt. Ltd.
	xi.	Symphony Club Pvt. Ltd.
	xii.	Shatrunjay Constructions Pvt. Ltd.
	xiii.	Pune Rehabilitation Pvt. Ltd.
	xiv.	Pune Mumbai Realty Pvt. Ltd.
	xv.	River View Properties Pvt. Ltd.
	xvi.	Sinew Developers Ltd.
	xvii.	Ketki Properties & Estates Pvt. Ltd.
	Partnership Firm	
	xviii.	Avi Constructions
	xix.	Kumar Builders Township Ventures
	xx.	Pune Mumbai Realty
	xxi.	Kumar Serenade
	HUF	
	i.	L K Jain (HUF)
Key Management Personnel	i.	Mr. Lalit Kumar Jain
	ii.	Ms. Kruti L. Jain
Relatives of key management personnel	i.	Ms. Madhu L Jain – Wife of Mr. L K Jain
	ii.	Mr. Pranay L Jain – Son of Mr. L K Jain
	iii.	Ms. Mamta Hingrath – Wife of Shailesh Hingrath

- Loans taken from / given to related parties do not stipulate any repayment schedule.
- Related party relationships are as identified by the company and relied upon by the Auditors
- No Balances in respect of related parties have been provided for/written back/ written off.

		(Amount in Rs. Millions)	
Related Party Disclosure	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Material Transfer			
L.K.Jain	-	0.30	0.37
Kumar Serenade	0.14	-	-
L K Jain (HUF)	0.02	-	0.00
Others	-	-	0.18
Material Received			
L K Jain	0.03	0.14	-
M L Jain	-	0.01	-
Others	-	-	0.01
Shares Purchased (Investment made during the year)			
L K Jain	0.19	-	-
Others	0.02	-	-
Rent (Expense) / income			
L K Jain	(3.81)	(3.53)	(2.92)
M L Jain	(3.81)	(3.53)	(2.92)
L K Jain (HUF)	(3.81)	(3.53)	(2.92)
Others	-	0.03	0.13
Interest Received / (Paid)			
L K Jain	(2.86)	1.88	(1.22)
Kruti Jain	2.80	3.91	1.91
Others	0.11	33.18	29.63
Remuneration paid			
L K Jain	0.01	13.50	1.80
Kruti L.Jain	0.01	6.75	0.90
Royalty payment			

L. K. Jain	20.53	29.35	22.01
Share Application Money Paid during the year			
Kumar IKA Port Developers Private Limited	1.50	-	-
Sale of fixed assets			
L.K.Jain (HUF)	-	-	5.02
Reimburshment of Expenses			
L.K.Jain (HUF)	-	-	(0.02)
Pune Mumbai Reality Pvt. Ltd.	-	-	0.44
Sale of Investments			
Sukumar Machines and Constructions Pvt. Ltd.	-	5.69	-
Loans			
Loans Given during the year			
L K Jain	11.07	-	-
Kruti Jain	6.80	6.80	22.40
LK Jain (HUF)	7.52	197.49	179.15
Kumar Builders Township Ventures	7.10	1.30	1.51
Sukumar Housing & Finance Private Limited	5.22	-	-
Others	4.83	10.37	146.22
Loans Taken during the year			
LK Jain	35.16	80.92	0.01
Kruti Jain	81.56	-	-
Others	10.80	7.04	18.02
Balances outstanding as at the balance sheet date			
Loans Taken			
L K Jain	66.93	-	-
Kruti Jain	76.76	-	-
Others	13.68	3.26	-
Loans Given			
L.K.Jain HUF	276.32	265.60	-
Kruti L Jain	29.20	41.78	-
Others	3.81	9.50	-
Share Appliaction Money Paid			
Kumar IKA Port Developers Pvt	1.50	-	-

Ltd			
Share Application Money Received			
Madhu Jain	2.31	2.31	-
L K Jain	4.65	4.23	-
Others	1.21	1.21	-
Advance for Properties			
Kruti L. Jain	1.60	72.13	-
Rent Payable			
L K Jain (HUF)	4.62	2.14	-
M L Jain	4.62	2.14	-
L K Jain	4.62	2.14	-
Royalty payable			
L. K. Jain	36.05	21.16	-
Interest Receivable			
Kruti L Jain	4.00	4.00	-
L.K.Jain (HUF)	-	44.58	-
Others	0.82	2.47	-
Interest Payable			
Pune Mumbai Realty	9.06	-	-
L K Jain	1.43	0.09	-
Amit Bhosale Developers Pvt Ltd	0.13	0.13	-
Guarantees Taken			
L K Jain	3,952.29	4,008.02	-

DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the annual general meeting, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of the Company also gives the discretion to the Board of Directors to declare and pay interim dividends without shareholder's approval at an annual general meeting.

The Company does not have any formal dividend policy for the shares. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

The declaration and payment of dividend will be recommended by our board of directors and approved by shareholders, in their discretion and will depend upon number of factors, including but not limited to our earnings, capital requirements, government policies and overall financial position. Our Company has no formally stated dividend policy.

The Dividend paid by the Company in the last five fiscals is as provided herein:

	Fiscal 2005	**Fiscal 2006**	**Fiscal 2007**	**Fiscal 2008**	**Fiscal 2009**
Face Value Per Share	10	10	10	10	10
Dividend (Rs. Million)	-	-	9.05	-	-
Dividend per equity share (Rs.)	-	-	1	-	-
Dividend Rate (% of paid up capital)	-	-	10	-	-

Note: Dividend includes interim dividend.

Our Board of Directors have at their meeting held on June 26, 2008 recommended final dividend of Rs. 1 equity share of Rs.10 each fully paid up. However, shareholders at their annual general meeting held on September 29, 2008 had not declared the dividend recommended by the board of directors and have accordingly passed the necessary resolution. The declaration and payment of equity dividend would be governed by the applicable provisions of the Companies Act and Articles of Association of the Company.

SECTION V – FINANCIAL STATEMENTS

FINANCIAL INFORMATION OF KUMAR URBAN DEVELOPMENT LIMITED

Auditor's Report

To,
The Board of Directors
Kumar Urban Development Limited
Kumar Capital, 2nd Floor,
East Street,
Pune - 411 001.

Dear Sirs,

Kumar Urban Development Limited (Formerly Kumar Housing and Land Development Limited) ("the Company") proposed to make an Initial public offering of its equity shares for cash. We have been requested by the Company to report on attached financial information, stamped and initialled by us for identification and prepared in accordance with the requirements of Part II of Schedule II of the Companies Act, 1956 (the "Act"), the Securities and Exchange Board of India ("SEBI") – Issue of Capital and Disclosure Requirements (ICDR), Regulations, 2009 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications. The Financial information, Statement of Direct Tax Benefits and Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP have been prepared by the Company and approved by the Board of Directors of the Company.

1. Financial Information

1.1 We have examined the attached:

a) Standalone Restated Statement of Assets and Liabilities of the Company as at March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure I-A); Standalone Restated Statement of Profits and Losses for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure II-A) and Standalone Restated Cash flow Statement for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 (Annexure III-A), together referred to as 'standalone statements'.

b) Consolidated Restated Statement of Assets and Liabilities of the Company as at March 31, 2009, March 31, 2008, March 31, 2007 (Annexure I-B) and Consolidated Restated Statement of Profits and Losses for the years ended March 31, 2009, March 31, 2008, March 31, 2007, (Annexure II-B) and Consolidated Restated Cash flow Statement for the years ended March 31, 2009, March 31, 2008, March 31, 2007 (Annexure III-B), together referred to as 'consolidated statements'.

1.2 We have considered:

a) Standalone financial statements of the Company for the year ended March 31, 2008, March 31, 2007 audited by S. R. Batliboi & Co., Chartered Accountants and for the year ended March 31, 2006, March 31, 2005 audited by Ramesh Ramu & Associates, Chartered Accountants.

b) Consolidated financial statements of the Company for the year ended March 31, 2008, March 31, 2007 audited by S. R. Batliboi & Co., Chartered Accountants.

1.3 Based on our examination of the above statements and the related Audit Reports and on the basis of the information and explanations given to us, we report that:

a) The aforesaid statements have been extracted from the audited financial statements as stated in para 1.2 above as approved by the Board of Directors and have been restated to reflect the significant accounting policies adopted by the Company and significant notes as at March 31, 2009, as mentioned in Annexure IV-A to this report;

b) Material amounts relating to adjustments for previous years have been identified and adjusted in arriving at the profits of the year to which they relate;

c) There are no qualifications in the auditors' reports, which require any adjustment;

d) The aforesaid statements have also been restated to effect necessary changes for exceptional items, which have been disclosed separately in the statements in the years to which they relate.

2. Other Financial Information:

We have also examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Sr. No.	Particulars	Annexures	
		Standalone	Consolidated
i.	Statement of Significant Accounting Policies and selected notes to statements.	IV – A	IV – B
ii.	Details of Sundry Debtors	V – A	V – B
iii.	Details of Loans & Advances Given	VI – A	VI – B
iv.	Details of Investments	VII – A	VII – B
v.	Accounting ratios based on the profits relating to earnings per share, net asset value and return on net worth	VIII – A	VIII – B
vi.	Capitalisation Statement of the Company	IX – A	IX – B
vii.	Statement of Changes in Share Capital	X – A	X – B
viii.	Details of other income where such income exceeds 20 percent of net profit before tax	XI – A	XI – B
ix.	Details of rate of Dividend declared	XII – A	XII – B
x.	Statement of Tax Shelters	XIII – A	
xi.	Statement of Secured Loans	XIV – A	XIV – B
xii.	Statement of Unsecured Loans	XV – A	XV – B
xiii.	Statement of Tax Benefits	XVI	
xiv.	Summary of Significant Differences between Indian GAAP, IFRS and U.S. GAAP.	XVII	

3. In our opinion, the financial information of the Company and other information, as attached to this report and mentioned in paragraph 1.1, 1.2 and 2 above, read with respective significant accounting policies have been prepared in accordance with Part II of Schedule II of the Act and the Regulations issued by the SEBI. The aforesaid work has not been carried out in accordance with auditing standards generally accepted in United States of America or outside of India and accordingly should not be relied on as if it had been carried out in accordance with those standards.

4. This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Lodha & Co.
Chartered Accountants

R. P. Baradiya

Place: Mumbai

Partner

Date: 25th September, 2009 *Membership No. 44101*

Restated Financial Statements of Kumar Urban Development Limited for the year ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005

ANNEXURE I-B

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

	Particulars	**As at March 31,**		
		2009	**2008**	**2007**
A	**Goodwill Arising on Consolidation**	**211.24**	**63.64**	**0.00**
B	**Fixed Assets**			
	Gross Block	141.30	149.18	69.35
	Less: Depreciation	31.39	22.12	18.92
	Net Block	**109.91**	**127.06**	**50.43**
	Capital Work in Progress (including capital advance payments)	6.94	6.82	2.50
	Total Fixed Assets	**116.85**	**133.88**	**52.93**
C	**Investments**	**54.52**	**112.18**	**86.33**
D	**Current Assets, Loans and Advances**			
	Inventories	6,844.26	5,941.43	2,336.66
	Sundry Debtors	1,345.96	1,775.00	159.19
	Cash & Bank balances	349.20	258.87	371.97
	Other Current Assets	70.96	138.72	303.48
	Loans and advances	2,172.07	2,041.47	2,336.50
		10,782.45	**10,155.49**	**5,507.80**
E	**Deferred Tax Assets**	**-**	**-**	**1.46**
	Total Assets (A+B+C+D+E)	**11,165.06**	**10,465.19**	**5,648.52**
F	**Liabilities & Provisions**			
	Loan Funds			
	Secured Loans	4,021.41	4,608.60	2,781.19
	Unsecured Loans	316.55	908.39	106.69
		4,337.96	**5,516.99**	**2,887.88**
	Deferred Tax Liability	**2.29**	**1.25**	**-**
	Current Liabilities & Provisions			
	Current Liabilities	2,894.84	2,142.54	1,347.77
	Provisions	2.06	6.53	12.67
		2,896.90	**2,149.07**	**1,360.44**
	Total Liabilities (F)	**7,237.15**	**7,667.31**	**4,248.32**
G	**Share Application Money (G)**	**8.77**	**8.77**	**444.64**
H	**Minority Interest (H)**	**172.97**	**(85.75)**	**59.12**

I	**Net worth (A+B+C+D+E)-(F)-(G)-(H)**	**3,746.17**	**2,874.86**	**896.44**
	Represented by:			
	Shareholders' funds			
	Share Capital	639.73	639.73	90.50
	Reserves & Surplus	3,106.44	2,235.13	805.94
	a) Capital Reserve on consolidation	-	-	138.16
	b) Securities Premium Account	1,514.24	999.97	-
	c) General Reserve	10.00	10.00	-
	d) Profit and Loss account	1,582.20	1,225.16	667.78
	Total	**3,746.17**	**2,874.86**	**896.44**

ANNEXURE II – B

SUMMARY STATEMENT OF PROFIT & LOSS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

Particulars	**For the Year Ended March 31,**		
	2009	**2008**	**2007**
Income			
Income from Operation:			
Revenue from real estate development / sale	2,180.19	3,156.16	2,275.29
Share of profit from partnership firms engaged in real estate business	0.13	0.68	1.01
Project Management Fees	-	22.04	73.28
Total Income from Operation	**2,180.32**	**3,178.88**	**2,349.58**
Other income	210.94	56.60	0.61
Total Income	**2,391.26**	**3,235.48**	**2,350.19**
Expenditure			
Cost of revenue	1,130.22	1,439.91	1,172.10
Personnel expenses	103.41	101.62	36.29
Operating and other expenses	200.34	340.89	145.78
Operating Expenses	**1,433.97**	**1,882.42**	**1,354.17**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**957.29**	**1,353.06**	**996.02**
Interest and Finance Charges	546.21	553.89	107.63
Depreciation	9.67	8.03	1.76
Profit before tax, exceptional items and prior period items	**401.41**	**791.14**	**886.63**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	48.34	145.17	101.84
Deferred Tax	1.88	2.45	(0.55)
Tax for earlier years	2.95	-	-

Profit before exceptional items and prior period items	**348.24**	**643.52**	**785.34**
Exceptional items	-	(58.99)	(55.99)
Prior Period items	(15.30)	5.14	0.30
Net Profit Before Minority Interest	**332.94**	**589.67**	**729.65**
Share of Minority Shareholders	**1.99**	**(63.07)**	**94.60**
Net Profit for the Year (A)	**330.95**	**652.74**	**635.05**
Adjustments: (Refer Note No. 4 of Annexure IV -B)			
Prior Period Items of 2006-07	-	-	(0.30)
Prior Period Items of 2007-08	-	(5.14)	5.19
Prior Period Items of 2008-09	15.30	(15.26)	-
Exceptional Items of 2006-07	-	-	55.99
Exceptional Items of 2007-08	-	58.99	(4.54)
(Excess) / short depreciation related to earlier years	-	-	(0.36)
Misc Exp related to previous year	-	-	0.02
Deferred Tax now provided	0.20	(0.23)	0.03
Total Adjustments	**15.50**	**38.36**	**56.03**
Tax Impact of above adjustments	0.81	0.99	8.60
Tax impact - others	(2.95)	0.15	1.41
Total Tax Impact of adjustments	**(2.14)**	**1.14**	**10.01**
Total Adjustments after tax impact (B)	**17.64**	**37.22**	**46.02**
Net Profit, as Restated before Minority Interest C = (A+B)	**348.59**	**689.96**	**681.07**
Share of Minority Shareholders on above Adjustments (D)	**0.08**	**13.92**	**(0.62)**
Net Profit, as Restated (C-D)	**348.51**	**676.04**	**681.69**
Earning Per Share (Basic) (Rs.)	**5.45**	**11.07**	**11.08**
Earning Per Share (Diluted) (Rs.)	**5.45**	**11.07**	**11.04**

ANNEXURE III-B

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

	Particulars	For the Financial Year Ended March 31		
		2009	**2008**	**2007**
A.	**Cash Flow from Operating Activities**			
	Restated Net Profit before tax as restated	**401.42**	**775.89**	**886.94**
	Adjustment for :			
	Depreciation	9.67	8.03	2.12
	(Profit) /Loss on sale of Investments (Net)	(199.56)	30.09	0.17
	(Profit) /Loss on sale of assets	(0.89)	-	-
	Preliminary expenses written off	0.03	-	0.06
	Provision for Diminution on Investments	-	0.09	0.59
	Dividend income	(0.60)	(1.74)	(0.07)
	Interest expenses	520.59	553.89	159.29
	Sub Total	**329.24**	**590.36**	**162.16**
	Operating profit before working capital changes	**730.66**	**1,366.25**	**1,049.10**
	Adjustments for:			
	Changes in Trade and other Receivables	429.04	(1,410.23)	(159.19)
	Changes in Inventories	(944.83)	(1,952.98)	(2,445.21)
	Changes in Loans & Advances	53.46	790.59	(2,083.17)
	Changes in Other Current Assets	67.75	202.26	(243.95)
	Changes in Trade and other Payables	748.70	604.91	1,241.52
	Cash from operations	**1,084.78**	**(399.20)**	**(2,640.90)**
	Income Taxes paid	(45.83)	(145.17)	(139.32)
	Net cash from/(used in) operating activities (A)	**1,038.95**	**(544.37)**	**(2,780.22)**
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets including Capital Work in Progress	(12.17)	(61.75)	(11.46)
	Proceeds from Sale of Fixed Assets	20.42	-	5.20
	Business Acquisitions	147.90	(1,267.42)	120.83
	Proceeds from sale of Subsidiary / Division / Investments	267.64	18.16	59.15
	Purchase of investments	(0.06)	(56.07)	(128.56)
	Dividends received	0.60	1.74	0.07

	Net cash from/(used in) investing activities (B)	**424.33**	**(1,365.34)**	**45.23**
C.	**Cash Flow from Financing Activities**			
	Proceeds from share capital & Share Application Money	514.27	1,004.72	444.64
	Borrowings (Net)	(1,319.42)	1,393.62	2,686.07
	Interest Paid	(520.59)	(553.89)	(165.97)
	Dividend Paid including dividend tax	-	(10.33)	-
	Net cash from/(used in) financing activities (C)	**(1,325.74)**	**1,834.12**	**2,964.74**
	Net (Decrease) / Increase in cash (A+B+C)	**137.54**	**(75.59)**	**229.75**
	Cash and cash equivalents at beginning of year	161.15	236.74	6.99
	Cash and cash equivalents at end of year/period	298.69	161.15	236.74
	Net (Decrease) / Increase as above	137.54	(75.59)	229.75

Note:
Cash and cash equivalents exclude balance in margin money.

Annexure IV-B

Significant Accounting Policies and Selected Notes to Consolidated Statement of Profits & Losses and Assets & Liabilities, As Restated

2. Nature of Operations

Kumar Urban Development Limited ("the Parent Company") was incorporated on May 25, 1993. The Parent Company along with its subsidiaries and joint ventures is collectively referred to as "the Group". The Group is primarily engaged in the business of real estate development and sale.

3. Principles of Consolidation

The consolidated financial statements include the financial statements of the parent company, its subsidiaries and joint ventures. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard (AS) - 21 on "Consolidated Financial Statements" and AS – 27 on "Financial Reporting of Interests in Joint Ventures" as prescribed by the Companies (Accounting Standards) Rules, 2006.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.
The difference between the cost of investment in the subsidiaries and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financials statements as goodwill / capital reserve as the case may be. Goodwill and capital reserve arising on acquisition of different subsidiaries have been netted off in the consolidated financial statements.
Minority interest represents the amount of equity attributable to minority shareholders / partners at the date on which the investments in a subsidiary company / firm is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount attributable to the minority on the date of investment is reflected under Reserves and Surplus.

The subsidiaries considered in consolidated financial statements of year ended March 2009, March 2008 and March 2007 are as follows:

Sr. No	Name of the Subsidiary	Group ownership Percentage as on March 31, 2009	Group ownership Percentage as on March 31, 2008	Group ownership Percentage as on March 31, 2007	Country of Incorporation
	Companies				
1	Kumar Housing Corporation Limited	100.00%	100.00%	89.50%	India
2	Kumar Perfumeries Private Limited	100.00%	100.00%	100.00%	India
3	Kumar Builders Township Ventures Private Limited	66.08%	74.00%	68.06%	India
4	Sinew Developers Limited	92.85%	74.27%	-	India
5	Sukumar Enviro Farms Private Limited	100.00%	100.00%	100.00%	India
6	River View Properties Private Limited	74.00%	74.00%	-	India
7	Pune Technopolis Development Private Limited	100.00%	100.00%	-	India
8	Kumar City Club Limited	100.00%	100.00%	100.00%	India
9	L. K. Developers Private Limited	100.00%	100.00%	-	India
10	Kumar Horticulture Private Limited	-	-	100.00%	India
11	Shatrunjay Constructions & Developers Private Limited	-	-	100.00%	India
12	Krutikumar Reality Holdings Private Limited	-	-	100.00%	India
13	Pune Mumbai Realty	100.00%	100.00%	-	India

	Private Limited				
14	Kumar Sinew Developers Limited	90.57%	-	-	India
15	Kumar Builders Township Developers Private Limited	100.00%	-	-	India
16	Khiranagar Development Private Limited	100.00%	-	-	India
18	Sukumar Machines & constructions Private Limited	-	-	100.00%	India
	Partnership Firms				
17	Kumar Builders	98.50%	98.30%	98.40%	India
18	Kumar Sons	99.00%	99.00%	99.00%	India
19	Kumar Builders Consortium	99.00%	99.00%	99.00%	India
20	Kumar Beharay Rathi	99.00%	99.00%	99.00%	India
21	Kumar Builders Mumbai	98.00%	98.00%	98.00%	India
22	K.K Erectors	99.00%	99.00%	99.00%	India
23	Kumar Estates	-	100.00%	100.00%	India
24	Oswal Nibjiya and Mutha Associates	-	83.67%	83.67%	India
25	Suryadata Estates	60.00%	-	-	India
26	K G Ventures	100.00%	65.00%	65.00%	India
27	Sadashiv Development	-	75.00%	75.00%	India
28	Omved Turnkey Projects Developers	74.52%	99.00%	99.00%	India
29	A.V Bhatt & Co.	-	100.00%	-	India

The Group has entered in various Joint Ventures to execute major projects. These Ventures will be dissolved when the projects they are intended for are completed. The principal activity of these joint ventures is construction and development. Group shares part of these projects with through its subsidiaries. The joint ventures are:

Sr. No	Name of the Joint Venture	Group ownership Percentage as on March 31, 2009	Group ownership Percentage as on March 31, 2008	Group ownership Percentage as on March 31, 2007	Country of Incorporation
1	Kumar Urbana	49.50%	50.00%	50.00%	India
2	Kumar Santosh	26.00%	-	52.00%	India
3	Suryodaya Estates	-	60.00%	60.00%	India
4	Techno Lifestyle Development Corporation	45.00%	-	50.00%	India
5	Kumar Serenade	-	-	See note below	India

Note:- Kumar Serenade is a jointly controlled operation wherein the other joint venture partner is eligible for a revenue sharing of 31%.

a) Changes in Group Structure

1. In October 2008, the Parent Company has acquired 100% stake in Kumar Builders Township

Developers Pvt. Ltd. (KBTDPL) at the consideration of Rs. 100,000. As at the date of acquisition, the excess of consideration of Rs. 1,093,974 over the net book value of assets has been included in "Goodwill arising on Consolidation".

2. In the year 2009, the Parent company has acquired 1,570,347 shares (Previous year 4,496,821 shares) of Sinew Developers Ltd. on various dates for a consideration of Rs. 346,004,495 (Previous year Rs. 231,978,911). As on the respective dates of acquisition, the excess of consideration aggregating to Rs. 142,963,901 (Previous year Rs. 264,050,782) over the net book value of assets has been included in "Goodwill arising on Consolidation".
3. In the year 2009, the Parent company has sold 543,479 shares of Kumar Builders Township Developers Pvt. Ltd. The profit arising out of this transaction has been included in "Other Income".

4. Statement of Significant Accounting Policies

a) Basis of preparation

The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards prescribed by the Companies (Accounting Standard Rules), 2006 and the relevant provisions of Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policies have been consistently applied by the Group during the year.

b) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation is provided using the Written Down Value Method ("WDV") at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956. Assets individually costing Rs. 5,000 or less each are depreciated 100% in the year of purchase.

e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f) Transactions in Foreign Currency

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant gains or losses are recognized in the Profit and Loss account.

g) Borrowing Costs

Borrowing costs relating to construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to constructions activities nor are incidental thereto are charged to the profit and loss account.

h) Leases

Where the Group is the lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included in current assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct cost such as legal cost, brokerage cost etc. are charged immediately to the profit and loss account.

i) Investments

Investments that are specifically realizable and intended to be held not more than one year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

j) Inventories

Inventories are valued as follows:

Land and development rights (including development cost)	Land and development rights (including development cost) other than areas transferred to constructed properties at the commencement of construction are value at lower of cost and net realizable value. Costs include land acquisition cost and related development costs.
Construction materials	Construction materials are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. However, inventory of construction materials is not written down below cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at lower of cost and net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing cost) during the construction period to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss account.
Completed unsold inventory	Lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion, wherever applicable and estimated costs necessary to make the sale.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

a. Revenue from real estate development / sale

Revenue from real estate development / sale is recognized upon transfer of all significant risks and rewards of ownership of such real estate property, as per the terms of the contracts with buyers, which generally coincides with the firming of the sales contracts / agreements, except for contracts, where the

Group still has obligations to perform substantial acts even after the transfer of significant risks and rewards of ownership.

Where the Group is obliged to perform substantial acts even after the transfer of significant risks and rewards of ownership, revenue is recognized on proportionate basis as the acts are performed i.e. by applying the “Percentage of Completion method” only when the outcome of the construction activity can be estimated reliably. The stage of completion is determined with reference to the proportion of cost incurred for work performed up to the reporting date bear to the estimated total cost and for the area sold up to the reporting date.

Revenue earned in excess of billing is reflected under “Other Current Assets”. Billing to customers in excess of revenue earned is reflected under “Current liabilities”.

The estimated total cost of the project as determined, is based on management’s estimate from the inception till the final completion of the project and includes cost of land, materials, services and other related overheads.

The estimates of the saleable area and costs are reviewed periodically and effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

When the outcome of the construction activity cannot be estimated reliably, revenue is recognized only to the extent of cost of land and other construction costs incurred of which recovery is probable and such cost is recognized as expense in the period in which they are incurred.

b. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

c. Rent

Revenue is recognized on a time proportion basis as per the contractual obligations agreed with the respective tenant.

d. Dividends

Revenue is recognized when the shareholders’ right to receive payment is established by the balance sheet date.

e. Profit /Loss from partnership firms

Share of profit / loss from firms in which the Group is a partner holding share less than 20% is accounted for in the financial year ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deeds.

l) Cost of revenue

Cost includes cost of land and development rights (including development cost) plots, construction costs and borrowing cost.

a. Cost of land and development rights includes land acquisition cost, allocated internal development costs and external development charges, which is charged to the profit and loss account proportionate to land / plotted area in respect of which revenue is recognized as per accounting policy no. 3(k) above, in consonance with the concept of matching cost and revenue. Final adjustments, if any are made on completion of the applicable project.
b. Construction cost includes construction materials, construction overheads and other site expenses, which are charged to the profit and loss account proportionate to the revenue recognized as per accounting policy no. 3(k) above, in consonance with the concept of matching cost and revenue. Final adjustments, if any, are made on completion of the applicable project.

m) Advance/Deposits for properties

Amounts paid by the Group to the seller toward outright purchase of land is recognized as Advances/Deposit for Land’ under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to inventory, “Land and plots (including development cost)”.

n) Retirement and other employee benefits

a. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
b. The Group provides for Gratuity, a defined benefit retirement plan, covering eligible

employees. The scheme is funded with Life Insurance Corporation of India. Liability under Gratuity plan is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

c. Short term compensated absences are provided for on based on estimates. The Group does not have any long term compensated absences.

d. Actuarial gains or losses are immediately taken to profit and loss account and are not deferred.

o) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Disclosures for a Contingent Liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

Contingent Assets are neither recognized nor disclosed in the financial statements.

r) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

5. Adjustments to Restated Statement of Consolidated Profits & Losses and Assets & Liabilities

a. Prior period items and Taxation of earlier years

The Company recorded prior period items and taxation of earlier years in respect of annual periods from April 1, 2007 to March 31, 2009, the effect of these items have been charged in the respective periods of origination.

b. Exceptional items in 2008-09 and 2007-08 includes Rs. 60,160,032/- and Rs. 55,990,706/- respectively towards interest on inventories wrongly included in inventories in previous years have now been charged off in those respective years.

c. Exceptional items in year 2008-09 includes Rs. 15,95,521/- of Interest income and Rs. 431,709/- losses related to earlier year have now been charged in relevant year.

d. Tax impact of adjustments

Current Tax Impact of adjustments on restatement has been provided at the applicable tax rate.

6. Segment Information

Business Segments :

Based on similarity of activities/products, risk and reward structure, organization structure and internal reporting systems, the Group has structured its operations into one reportable business segment i.e. real estate development.

Geographical Segments :

The Group is operating in the same geographical segment hence operations of the Group do not qualify, for reporting as geographic segments, the criteria set out under Accounting Standard 17 on Segment reporting.

7. Related Parties

a) Names of related parties

b) Mr. Lalit Kumar Jain & Family have controlling stake in the Parent Company.

B. Name of the related parties with whom transactions have taken place during the year 2007, 2008 & 2009:

Enterprises owned and significantly influenced by the key management personnel or their relatives.	**Companies**	
	xxii.	Pune Urban Estates Pvt. Ltd.
	xxiii.	Sukumar Housing & Finance Pvt. Ltd.
	xxiv.	Amit Bhosale Developers Pvt. Ltd.
	xxv.	Kumar Horticulture Pvt. Ltd.
	xxvi.	Sukumar Machines & Constructions Pvt. Ltd.
	xxvii.	Sukumar E-Commerce Limited
	xxviii.	Pune Suburban Ventures Pvt. Ltd.
	xxix.	Kumar Horticulture Pvt. Ltd.
	xxx.	Sublime Infrastructure Development Pvt. Ltd.
	xxxi.	Kumar I.K.A. Port Developers Pvt. Ltd.
	xxxii.	Symphony Club Pvt. Ltd.
	xxxiii.	Shatrunjay Constructions Pvt. Ltd.
	xxxiv.	Pune Rehabilitation Pvt. Ltd.
	xxxv.	Pune Mumbai Realty Pvt. Ltd.
	xxxvi.	River View Properties Pvt. Ltd.
	xxxvii.	Sinew Developers Ltd.
	xxxviii.	Ketki Properties & Estates Pvt. Ltd.
	Partnership Firm	
	xxxix.	Avi Constructions
	xl.	Kumar Builders Township Ventures
	xli.	Pune Mumbai Realty
	xlii.	Kumar Serenade
	HUF	
	ii.	L K Jain (HUF)
Key Management Personnel	iii.	Mr. Lalit Kumar Jain
	iv.	Ms. Kruti L. Jain
Relatives of key management personnel	iv.	Ms. Madhu L Jain – Wife of Mr. L K Jain

v. Mr. Pranay L Jain – Son of Mr. L K Jain

vi. Ms. Mamta Hingrath – Wife of Shailesh Hingrath

- Loans taken from / given to related parties do not stipulate any repayment schedule.
- Related party relationships are as identified by the company and relied upon by the Auditors
- No Balances in respect of related parties have been provided for/written back/ written off.

(Amounts in Rs. Million)			
Related Party Disclosure	**March 31, 2009**	**March 31, 2008**	**March 31, 2007**
Material Transfer			
L.K.Jain	-	0.30	0.37
Kumar Serenade	0.14	-	-
L K Jain (HUF)	0.02	-	0.00
Others	-	-	0.18
Material Received			
L K Jain	0.03	0.14	-
M L Jain	-	0.01	-
Others	-	-	0.01
Shares Purchased (Investment made during the year)			
L K Jain	0.19	-	-
Others	0.02	-	-
Rent (Expense) / income			
L K Jain	(3.81)	(3.53)	(2.92)
M L Jain	(3.81)	(3.53)	(2.92)
L K Jain (HUF)	(3.81)	(3.53)	(2.92)
Others	-	0.03	0.13
Interest Received / (Paid)			
L K Jain	(2.86)	1.88	(1.22)
Kruti Jain	2.80	3.91	1.91
Others	0.11	33.18	29.63
Remuneration paid			
L K Jain	0.01	13.50	1.80
Kruti L.Jain	0.01	6.75	0.90
Royalty payment			
L. K. Jain	20.53	29.35	22.01
Share Application Money Paid during the year			
Kumar IKA Port Developers Private Limited	1.50	-	-
Sale of fixed assets			
L.K.Jain (HUF)	-	-	5.02
Reimburshment of Expenses			
L.K.Jain (HUF)	-	-	(0.02)
Pune Mumbai Reality Pvt. Ltd.	-	-	0.44
Sale of Investments			
Sukumar Machines and Constructions Pvt. Ltd.	-	5.69	-
Loans			
Loans Given during the year			
L K Jain	11.07	-	-
Kruti Jain	6.80	6.80	22.40
LK Jain (HUF)	7.52	197.49	179.15
Kumar Builders Township Ventures	7.10	1.30	1.51
Sukumar Housing & Finance Private Limited	5.22	-	-

Others	4.83	10.37	146.22
Loans Taken during the year			
LK Jain	35.16	80.92	0.01
Kruti Jain	81.56	-	-
Others	10.80	7.04	18.02
Balances outstanding as at the balance sheet date			
Loans Taken			
L K Jain	66.93	-	-
Kruti Jain	76.76	-	-
Others	13.68	3.26	-
-			
Loans Given			
L.K.Jain HUF	276.32	265.60	-
Kruti L Jain	29.20	41.78	-
Others	3.81	9.50	-
Share Appliaction Money Paid			
Kumar IKA Port Developers Pvt Ltd	1.50	-	-
Share Application Money Received			
Madhu Jain	2.31	2.31	-
L K Jain	4.65	4.23	-
Others	1.21	1.21	-
Advance for Properties			
Kruti L. Jain	1.60	72.13	-
Rent Payable			
L K Jain (HUF)	4.62	2.14	-
M L Jain	4.62	2.14	-
L K Jain	4.62	2.14	-
Royalty payable			
L. K. Jain	36.05	21.16	-
Interest Receivable			
Kruti L Jain	4.00	4.00	-
L.K.Jain (HUF)	-	44.58	-
Others	0.82	2.47	-
Interest Payable			
Pune Mumbai Realty	9.06	-	-
L K Jain	1.43	0.09	-
Amit Bhosale Developers Pvt Ltd	0.13	0.13	-
Guarantees Taken			
L K Jain	3,952.29	4,008.02	-

8. Gratuity

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Net employee benefit expense (recognized in Employee Cost) during the year ended March 2008 and 2009

(Rs. in Million)

	As at March 31, 2009	As at March 31, 2008
Current Service Cost	1.04	2.88
Interest Cost on Benefit Obligation	0.54	0.29
Expected Return on Plan Assets	(0.31)	(0.16)
Net Actuarial (Gain) / loss recognized in the Year	(4.96)	0.85
Past Service Cost	-	-
Net Benefit Expense	**(3.69)**	**3.86**
Actual Return on Plan Assets	**Nil**	**Nil**

Details of provision for Gratuity as at March 31, 2008 and 2009

(Rs. in Million)

	As at March 31, 2009	As at March 31, 2008
Defined Benefit Obligation	2.79	7.84
Fair Value of Plan Assets	3.67	3.62
Less: Unrecognized past service cost	-	-
Plan Asset / (Liability)	**0.88**	**(4.22)**

Changes in the present value of the defined benefit obligation for the year ended March 31, 2008 and 2009

(Rs. in Million)

	As at March 31, 2009	As at March 31, 2008
Opening defined benefit obligation	7.23	3.76
Interest cost	0.54	0.29
Current service cost	1.04	2.82
Benefits paid	(1.00)	(0.04)
Actuarial (Gains) / Losses on obligation	(5.02)	0.95
Closing defined benefit obligation	**2.79**	**7.84**

Changes in fair value of plan assets are as follows:

(Rs. in Million)

	As at March 31, 2009	As at March 31, 2008
Opening fair value of plan assets	3.34	1.39
Expected return	0.31	0.16
Contributions by employer	1.08	1.25
Benefits paid	(1.00)	(0.04)

Actuarial (Gains) / Losses	(0.06)	0.85
Closing fair value of plan assets	**3.67**	**3.62**

The major categories of plan assets as a % of the fair value of total plan assets are as follows:

Nature of Plan Asset	As at March 31, 2009	As at March 31, 2008
	%	%
LIC	100%	100%
Others	Nil	Nil

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	As at March 31, 2009	As at March 31, 2008
	%	%
Discount Rate	7	8
Expected rate of return on assets	9.15	7.5
Increase in Compensation Cost	First five year - 10.00	First five year - 10.00
	Thereafter - 7.00	Thereafter - 7.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Till March 31, 2006, the Company was providing for gratuity based on actuarial valuation as per Life Insurance Corporation of India (LIC) certificate. During the year ending March 2007 onwards, the Company has provided the gratuity on the basis of independent actuarial valuation performed by an actuary at the end of the financial year. This change is not having material impact in the profit.

9. Deferred Tax Asset

(Rs. In Million)

	As at March 31,		
	2009	2008	2007
Deferred Tax (Liabilities)			
Difference in depreciation in block of fixed assets as per tax books and financial books	(2.29)	(3.25)	-
Gross Deferred Tax Liabilities	**(2.29)**	**(3.25)**	-
Deferred Tax Assets			
Difference in WDV of block of fixed assets as per tax books and financial books	1.02	-	0.91
Difference due to bonus provision	-	0.01	-
Difference due to provision for leave encashment	-	0.28	-

Difference due to gratuity provision	-	1.71	0.55
Gross Deferred Tax Assets	**1.02***	**2.00**	**1.46**
Net Deferred Tax Assets / (Liabilities)	**(2.29)**	**(1.25)**	**1.46**

*As a matter of prudence, the company has not recognized deferred tax assets in the financial statements for the year ended March 2009.

10. Contingent Liabilities not provided for

a)

(Rs. In Million)

	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Income tax demand under protest	58.54	2.63	30.78
Guarantees and counter guarantees issued by the Group Company on behalf of other companies and firms	2,836.97	2,018.35	40.00
In respect of Service Tax matters	5.08	17.26	-
Claim Against the group not acknowledged as debts	-	-	30.43
	2,900.59	**2,038.24**	**101.21**

b) The company has kept Fixed Deposits as Margin money.

11. Leases

In case of assets taken on lease

Finance Lease:

The Group has entered into insignificant Finance Leases.

In case of assets given on lease

Operating Lease:

The Group has leased out real estate properties on operating lease. The lease term are ranging from 1 to 3 years. There is no escalation clause in the lease agreement.

Also the Group has leased out terrace space on operating lease. The lease term is for 5 years. There is no escalation clause in the lease agreement.

(Rs. In Million)

	As at March 31 2009	As at March 31 2008	As at March 31 2007
Future minimum lease payments			
Not later than one year	4.48	5.63	56.76
Later than one year and not later than five years	8.15	0.53	47.96
Later than five years	Nil	Nil	Nil
Total	**12.63**	**6.16**	**104.72**

There are no uncollectible minimum lease payments receivables at the year ended March 31, 2007, 2008 and 2009.

12. Construction Contracts

(Rs. In Million)

	2008-2009	2007-2008	2006-2007
Contract revenue recognised as revenue for the year ended	2,131.79	2,973.95	2,388.20
Aggregate amount of contract costs incurred and recognised profits (recognised losses) for all the contracts in progress	7,537.08	5,501.12	3,432.07
The amount of customer advances outstanding for contracts in progress	570.51	498.39	59.59
Gross Amount due from Customers (unbilled Revenue)	32.88	73.26	105.44
Gross amount due to Customers (Advance Billing)	347.15	636.48	119.95

13. In the case of Sinew Developers Limited (Subsidiary Company), pursuant to an agreement entered into with the banker, the Company has a commitment to acquire the balance shares at the consideration mentioned below:

	As at March 31, 2009	As at March 31, 2008
Number of Shares to acquire (Million Nos)	0.43	1.81
Committed Consideration (Rs. Million)	36.79	153.59

ANNEXURE V -B

STATEMENT OF SUNDRY DEBTORS, AS RESTATED & CONSOLIDATED

(Amount in Rs. Million)

Particulars	As at March 31,		
	2009	**2008**	**2007**
Unsecured, considered good Outstanding for a period:			
Not exceeding Six Months	1,310.44	1,654.57	151.29
Exceeding Six Months	35.52	120.43	7.90
Total	**1,345.96**	**1,775.00**	**159.19**
Amount Due from Promoters/Promoters group companies, non -group companies and Directors included in Sundry Debtors, not exceeding Six Months above:	-	116.40	-

ANNEXURE VI -B

STATEMENT OF LOANS AND ADVANCES AND OTHER CURRENT ASSETS AS RESTATED, CONSOLIDATED

(Amount in Rs. Million)

Particulars	As at March 31, 2009	2008	2007
A) Loans & Advances			
Secured, Considered Good			
Advances	-	-	-
Unsecured, Considered Good			
Advances recoverable in cash or in kind or for value to be received	173.93	170.59	81.14
Advance for properties	454.84	197.89	111.97
Share Application Money Pending Allotment	0.60	4.98	-
Income Tax/ TDS (Net of Provisions)	53.50	57.68	33.62
Sundry Deposits	421.10	480.66	223.94
Loans and advances to others	24.84	84.99	1.60
Dues from Promoters	**288.44**	**665.42**	**374.89**
Advance to subsidiaries / firms	**67.76**	**110.78**	**1,315.10**
Dues from group companies / associates	**583.07**	**161.73**	**93.95**
Other Receivables	103.99	106.75	100.29
Total	**2,172.07**	**2,041.47**	**2,336.50**
B) Other Current Assets			
Interest receivables	4.32	4.33	25.17
Contract revenue in excess of billing	32.88	73.26	243.95
Dues from Promoters	**3.46**	**50.36**	**17.69**
Advance to Group Companies	**0.45**	**1.25**	**11.36**
Advance to Non- group Companies	**29.85**	**9.52**	**5.31**
Total - Other Current Assets	**70.96**	**138.72**	**303.48**

Annexure VII - B

STATEMENT OF INVESTMENTS AS RESTATED, CONSOLIDATED

(Amount in Rs. Million)

	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A. Other thanTrade (Quoted)			
Equity Shares, fully paid up			
Aban Offshore Limited	-	0.20	0.25
Altos India Limited	0.00	0.02	0.02
Amararaja Batteries Limited	-	-	0.05
Anusha International Limited	0.00	0.01	0.01

Ashok Layland Limited	-	-	0.04
ACC Limited	0.00	-	0.38
Bombay Dyeing & Manufacturing Company Limited	-	0.08	0.15
Brigade Enterprises Limited	-	0.27	-
Glaxosmithline Limited	-	-	0.19
Reliance Infrastructure Limited	-	0.00	-
Reliance Energy Limited (BSCS Limited)	-	-	0.23
Castrol Limited	-	-	0.23
Century Textiles & Industries Limited	-	-	0.07
Chandani Engineering Limited	-	-	0.01
Chordia Food Products Limited	0.95	0.95	0.95
Colgate Pamolive (India) Limited	0.00	0.00	-
Elecon Engineering Company Limited	0.05	0.05	0.05
Enviro-Clean Systems Limited	0.00	0.02	0.02
Foseco India Limited	0.15	0.15	0.15
Geo Services (I) Limited	0.04	0.72	0.72
G.R. Magnets Limited	0.00	0.18	0.18
Henkel India Limited	0.00	0.16	0.16
Hindalco Industries Limited	-	0.00	-
Hindustan Motors Limited	-	0.01	0.04
Hotel Leela Venture Limited	-	-	0.16
I T C Limited	-	-	0.11
ICICI Limited	-	-	0.00
IAG Company Limited	0.37	0.37	0.37
Aditya Birla Nuvo Limited	-	0.26	0.62
Integra Hindustan Control Limited	0.04	0.04	0.04
Indian Petrochemcials Corporation Limited	-	-	0.09
Consolidated Finvest Holdings Limited	-	-	0.38
JSW Steels Limited	-	-	0.29
Udaypur Cement works Limited	0.02	1.03	1.03
Piramal Glass Limited	0.00	0.00	-
Khandwala Securities Limited	0.18	0.18	0.18
LML Limited	-	-	0.10
Lok Housing and Constructions Limited	0.41	0.41	0.41
Mittal Securities & Shares Limited	-	-	0.00
Clarus Finance and Securities Limited	0.00	-	-
Motilal Oswal Financial Services Limited	0.05	0.05	-
Nirma Limited	-	-	0.57
Pentarhesdia Graps Limited	-	-	0.06
Prism Cement Limited	-	-	0.03
Ranbaxy Laboratory Limited	-	-	0.17
Pantaloon Industries Limited	-	0.06	-
Reliance Industries Limited	-	0.38	3.36
Reliance Capital Limited	-	0.00	-
Selan Exp.Tech. Limited	-	-	0.55
Sesa Seat Limited	-	-	0.09

Reliance Communications Limited	-	-	-
Reliance Power Limited	0.00	0.25	-
Sesa Goa Limited	0.00	-	-
Sharada Ispat Limited	0.02	0.60	0.60
Tata Steel Limited	0.11	0.29	0.13
Shree Cement Limited	-	-	0.22
Siemens Limited	-	-	0.08
Spice Island Apparels Limited	-	-	0.40
Sterlite Industries (India) Limited	-	-	0.18
Suashish Diamonds Limited	-	-	0.98
Tata Power Limited	-	-	0.43
Zodiac Clothing Company Limited	-	-	0.10
Ayoki Merchantile Limited	-	-	0.02
Bank of Baroda Limited	-	-	0.00
Dena Bank Limited	-	-	0.00
Essar Steel Limited	-	-	0.02
Hindustan Lever Limited	-	-	0.03
National Mineral Development Corporation Limited	-	-	0.00
Noble Explochem Limited	-	-	0.01
Ramco Systems Limited	-	-	0.03
Ramco Systems Industries Limited	-	-	0.03
Sterlite Industries Limited	-	-	0.01
Sterlite Opticles Limited	-	-	0.03
Essar Steel Limited	-	-	0.01
	2.39	**6.74**	**15.82**
Investment in Mutual Fund (Unquoted)			
JM Financial Mutual Fund	2.50	2.50	-
Reliance Diversified Power Sector Fund	-	5.00	-
Reliance Natural Resources Fund	1.50	1.50	-
SBI Mutual fund	0.00	-	-
TINFG Tata Infrastructure Fund	-	2.50	-
UTI Mastershare	0.09	0.09	0.09
	4.09	**11.59**	**0.09**
Preference Shares, fully paid up (Unquoted)			
Tata Steel Limited	0.24	0.24	-
10 % Jindal Photo Film Cummulative	-	-	0.61
	0.24	**0.24**	**0.61**
Debentures, fully paid up (Unquoted)			
Sterlite Industries Limited.	0.05	0.05	0.05
	0.05	**0.05**	**0.05**
B. Trade (Unquoted)			
Equity Shares, fully paid up			
Kowa Spinning Limited	0.00	4.94	4.94
Rupee Co-op.Bank Limited	0.00	0.00	0.00
Pune Sahakari Bank Limited	0.03	0.03	0.03
Shree Suvarna Sahakari Bank Limited	0.50	0.61	1.01

Janseva Sahakari Bank Limited	0.50	0.50	0.50
Sukumar E Commerce Private Limited	0.00	0.00	0.00
Pune Mumbai Realty Private Limited	-	-	0.01
River View Properties Private Limited	-	-	0.01
Sinew Developers Private Limited	-	-	65.96
	1.03	**6.08**	**72.46**
C. Investment in Partnership Firms			
K.K.Bazaar	15.66	15.60	4.86
Kumar Estates	31.05	-	-
Kumar Builders Township Ventures	-	59.51	-
Sarsan Kumar Developers	0.01	0.01	0.01
	46.72	**75.12**	**4.87**
D. Investment in Associates			
Kumar Santosh	-	1.44	-
Techno Lifestyle Development Corporation	-	18.49	-
	-	**19.93**	**-**
TOTAL	**54.52**	**119.75**	**93.90**
Less: Diminution in value of investments	-	(7.57)	(7.57)
TOTAL	**54.52**	**112.18**	**86.33**
Aggregate cost of quoted investments	2.39	6.74	15.82
Market value of quoted investments	3.32	30.33	52.60
Aggregate amount of unquoted investments	52.13	105.44	70.40

ANNEXURE VIII-B

STATEMENT OF ACCOUNTING RATIOS AS RESTATED, CONSOLIDATED

Particulars		**As At March 31,**		
		2009	**2008**	**2007**
Networth (Rs. Million)	A	3,746.17	2,874.86	896.44
Restated Profit after Tax (Rs. Million)	B	348.51	676.04	681.69
No. of Shares outstanding at the end of the year (Million Nos)	C	63.97	63.97	9.05
Weighted average number of shares outstanding (Basic) (Million Nos)	D	63.97	62.34	61.49
Weighted average number of shares outstanding (Diluted) (Million Nos)	E	63.99	62.35	61.71
Earnings per Share (Basic) (Rs.)	**B/D**	**5.45**	**10.85**	**11.09**
Earnings per Share (Diluted) (Rs.)	**B/E**	**5.45**	**10.84**	**11.05**
Return on Net worth (%)	**B/A**	**9.30%**	**23.52%**	**76.04%**

Net Asset Value per Share (Rs./Share)	**A/C**	**58.56**	**44.94**	**99.05**

Note:

Ratios have been computed as below:

· Earnings per share – Basic (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year

· Earnings per share – Diluted (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding

· Return on Networth (%) = Net Profit after tax, as restated / Networth at the end of the year

· Net asset value per equity share (Rs.) = Networth at the end of the year / Number of equity shares outstanding at the end of the year

Note: 31.99 Million Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus shares in the ratio of 1 shares for every 2 shares held on 25th September, 2009 by way of capitalization of reserves & Surplus. As a result, the issued, subscribed and paid up capital of the company has increased from Rs. 639.73 million to Rs. 959.59 million.

Particulars	As At March 31,		
	2009	2008	2007
Earning per Share (Basic) (Rs.)	3.63	7.17	7.29

ANNEXURE IX-B

STATEMENT OF CAPITALISATION STATEMENT AS RESTATED, CONSOLIDATED

(Amount in Rs. Million)

Particulars	**Pre-Issue as at March 31, 2009**	**Post Issue ***
Short Term Debt	1,404.44	
Long Term Debt	2,933.52	
Total Debt	**4,337.96**	
Equity Share Capital	639.73	
Reserves	3,106.44	
Total Shareholders' Fund	**3,746.17**	
Long Term Debt to Total Shareholders' Fund	**0.78:1**	

*Will be calculated after finalisation of issue Price

Note: 31.99 Million Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus shares in the ratio of 1 shares for every 2 shares held on 25th September, 2009 by way of capitalization of reserves & Surplus. As a result, the issued, subscribed and paid up capital of the company has increased from Rs. 639.73 million to Rs. 959.59 million.

ANNEXURE X-B

STATEMENT OF CHANGES IN SHARE CAPITAL AS RESTATED, CONSOLIDATED

Particulars	**As at March 31,**		
	2009	**2008**	**2007**

Share Capital			
Authorised Share Capital			
No. of Equity Share of Rs. 10 each	75.00	75.00	75.00
Amount (Rs. Million)	**750.00**	**750.00**	**750.00**
Issued, Subscribed & Paid Up			
No. of Equity Share of Rs. 10 each	63.97	63.97	9.05
Amount (Rs. Million)	**639.73**	**639.73**	**90.50**

Note:

The above includes 9 Million Equity Shares of Rs.10 each which were issued in the financial year 2006-07 and 52.44 Million Equity Shares of Rs.10 each which were issued in the financial year 2007-08 as fully paid up Bonus Shares by capitalisation of Reserves & Surplus.

ANNEXURE XI-B

STATEMENT OF OTHER INCOME WHERE SUCH INCOME EXCEEDS 20 PERCENT OF NET PROFIT BEFORE TAX AS RESTATED, CONSOLIDATED

(Amount in Rs. Million)

Particulars	**For the Year Ended March 31,**			**Nature of Income**	**Related/ Non Related to Business**
	2009	**2008**	**2007**		
Profit on Sale of Trade investments (Long Term)	199.56	-	-	Non Recurring	Non Related
Total	**199.56**	-	-		

Particulars	**For the Year Ended March 31,**		
	2009	**2008**	**2007**
Restated Net Profit before Tax	401.41	775.89	886.94
Restated Other Income	210.94	56.60	0.61
% of Other Income	53%	7%	0%

ANNEXURE XII -B

STATEMENT OF DIVIDEND DECLARED, AS RESTATED, CONSOLIDATED

Particulars	**For the Year Ended March 31,**		
	2009	**2008**	**2007**
Equity Shares - Face Value (Rs.)	-	-	10

- Final Dividend (%)	-	-	10
- Final Dividend (Rs. Million)	-	-	9.05
- Dividend Tax on Final Dividend (Rs. Million)	-	-	1.28

ANNEXURE XIII -B

STATEMENT OF SECURED LOANS AS RESTATED, CONSOLIDATED

(Rs. In Million)

	Particulars	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
I)	**Terms Loans**			
A)	**Long Term Loans**			
	From Banks			
1	**Standard Chartered Bank**	-	-	1,031.33
	Facility Limit: INR 1100 mn			
	Rate of Interest: Variable			
	Repayment: (A). Rs. 200 mn sanctioned on 21st March, 2005 was payable in 36 monthly installments including a moratorium of 12 months. (B). Rs. 400 mn sanctioned in Februay			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of an associates of the Company.			
2	**Standard Chartered Bank**	-	-	363.31
	Facility Limit: Over Draft (O.D.)-500mn			
	Rate of Interest: Variable			
	Repayment: (A). Rs. 100 mn sanctioned in March, 2005 was repayable in 5 equal quarterly installments payable on 24th, 27th, 30th, 33rd and 36th month from the date of drawdown.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of an associates of the Company.			
3	**ICICI Bank**	-	68.81	169.81
	Facility Limit: Term Loan (TL)-INR 100 mn, Line of Credit (LOC)-100mn			
	Rate of Interest: Term Loan- 10.5% (Variable), Line of Credit-10.75% (Variable)			

	Repayment: 24 equal monthly instalments starting from 15th January, 2007 and ending on 15th December, 2008.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director, Director and an associates of the Company.			
4	**ICICI Bank**	265.36	331.40	-
	Facility Limit: INR 386 mn			
	Rate of Interest: 14.5% (Variable)			
	Repayment: 21 equal monthly installments starting from 15th April, 2008 and ending on 15th December, 2009.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.			
5	**Standard Chartered Bank**	917.95	960.00	-
	Facility Limit: INR 1,000 mn			
	Rate of Interest: Variable			
	Repayment: INR 350 mn, in 8 equal monthly instalments payable on 18th, 20th, 22nd and 24th month from the date of drawdown; INR 450 mn, in 16 monthly instalments starting from 19th month from the date of drawdown; INR 200 mn in 20 equal monthly instalment			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.			
6	**LIC Housing Finance Limited**	1,500.00	1,500.00	-
	Facility Limit: INR 1,500 mn			
	Rate of Interest: 12.25% (Variable)			
	Repayment: Repayable in 18 equal monthly installments starting from 19th month from the date of drawdown.			

	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project,demand promissory note and further secured by personal guarantee of Chairman & Managing Director, Director and an holding Company of the group.			
7	**ICICI Bank**	166.70	245.44	-
	Facility Limit: INR 250 mn			
	Rate of Interest: 14.5% (Variable)			
	Repayment: 21 equal monthly installments starting from 15th April, 2008 and ending on 15th December, 2009.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.			
8	**Yes Bank**	300.00	300.00	-
	Facility Limit: INR 300 mn			
	Rate of Interest: 14% (Variable)			
	Repayment: 8 quartely installments payable on 15th, 18th, 21st, 24th, 27th, 30th, 33rd and 35th month from the date of drawdown.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project, Post Dated Cheques and further secured by personal guarantee of Chairman & Managing Director of the Company.			
9	**State Bank of India**	489.28	-	-
	Facility Limit: INR 500 mn			
	Rate of Interest: 12.25% (Variable)			
	Repayment: 2 equal quartely installments payable in September, 2010 and December, 2010 .			
	Security: Secured by exclusive charge on Land and Building of the project to be financed by the term loan. Land in the name of the Director and further secured by personal guarantee of Director of the Company and Corporate guarantee of the Holding Company.			
10	**IDBI Limited**	95.39	65.51	1.83
	Cash Credit Limit: 100 mn			
	Rate of Interest: 16.25% (Variable)			

	Repayment: Repayable at the end of 12 months			
	Security: Secured by First charge on Current Assets , Specific land and Bungalow of a group Company and further secured by personal guarantee of Director of the Company and Corporate guarantee of the Holding Company.			
11	**The Shree Suvarana Sahkari Bank Limited**	10.67	32.42	41.67
	Facility Limit: INR 45 mn			
	Rate of Interest:			
	Security: Secured by exclusive charge on lands of the Company.			
12	**Lakshmi Vilas Bank Limited**	44.75	-	-
	Facility Limit: INR 45 mn			
	Rate of Interest: 15.50% (Variable)			
	Repayment: Repayable in 108 monthly installments			
	Security: Secured by mortgage of leased asset, hypothecation of lease rentals and further secured by the personal guarantee of Chairman & Managing Director and corporate guarantee of the Holding Company and a group Company.			
13	**Bank of Maharashtra**	-	39.83	-
	Facility Limit: INR 200 mn			
	Rate of Interest: 14% (Variable)			
	Repayment: Repayable in 16 quarterly installments starting from June, 2004 and ending on March, 2008.			
	Security: Secured by personal guarantee of directors of the Company and Corporate guarantee of the promoter groups.			
14	**Bank of Maharashtra**	22.27	-	-
	Facility Limit: INR 21.30 mn			
	Rate of Interest: 16.25% (Variable)			
	Repayment: Repayable in 3 quarterly installments starting from March, 2009 and ending on September, 2009.			
	Security: Secured by mortgage of land and further secured by personal guarantee of directors of the Company and Corporate guarantee of the promoter groups.			
15	**HDFC Bank Limited**	67.90	75.59	82.01
	Facility Limit: INR 90 mn			
	Rate of Interest: 8% (variable)			
	Repayment: 96 monthly installments			

	Security: Secured by mortgage of leased asset, hypothecation of lease rentals and further secured by the personal guarantee of Chairman & Managing Director and a promoter of the Company.			
16	**ICICI Bank**	86.70	75.00	-
	Facility Limit: INR 119.7 mn			
	Rate of Interest: 14.50% (variable)			
	Repayment: Repayable in 21 equal monthly instalments starting from 15th April, 2008 and ending on 15th December, 2009			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.			
17	**ICICI Bank**	-	78.58	193.93
	Facility Limit: Term Loan (TL)-INR 230 mn, Line of Credit (LOC)-100mn			
	Rate of Interest: Term Loan- 10.5% (Variable), Line of Credit-10.75% (Variable)			
	Repayment: 24 equal monthly instalments starting from 15th January, 2007 and ending on 15th December, 2008.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director, Director and an associates of the Company.			
18	**State Bank Of India**	-	574.32	-
	Facility Limit: INR 570 mn			
	Rate of Interest: 11.25% (variable)			
	Repayment: 93 monthly installments			
	Security: Secured by mortgage of leased asset, hypothecation of lease rentals.			
19	**Oriental Bank of Commerce**			
	Facility Limit: INR 750 mn	-	-	70.66
	Rate of Interest: 11% (variable)			
	Repayment: 72 monthly installments incldiuing 12 months moratorium.			

	Security: Secured by registered mortgage of constructed property of the Company and further secured by personal guarantee of Chairman & Managing Director,and corporate guarantee of an associate of the Company.			
20	**Lakshmi Vilas Bank**	-	34.78	202.04
	Facility Limit: INR 200 mn			
	Rate of Interest: 11% (variable)			
	Repayment: Repayable in 6 equal monthly instalments starting from 13th month from the drawdown.			
	Security: Secured by mortgage of specific property and further secured by personal guarantee of Chairman and Managing Director of the Company and a group entity.			
B)	**Short Term Loans**			
1	**Kotak Mahindra Prime Ltd.**	-	-	500.00
	Facility Amount: INR 500 mn			
	Rate of Interest: 15% (Variable)			
	Repayment:			
	(a) Minimum of Rs 25 Cr. at the end of 90th day from the date of first disbursement.			
	(b) Balance amount to fully pay by 270th day from the date of disbursement			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and further secured by personal guarantee of Chairman & Managing Director, Director and an associate of the Company.			
2	**ICICI Bank**	-	-	80.00
	Facility Limit: INR 100 mn			
	Rate of Interest: 11% (Variable)			
	Repayment: 5 equal monthly installments starting from 15th July 2007 and ending on 15th November, 2007.			
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of receivables of the project.			
3	**Punjab National Bank**	-	199.96	-
	Facility Limit: 350 mn			
	Rate of Interest: 13.50% (fixed)			
	Repayment: Principal to be repaid after 6 months from the date of disbursement.			

	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.			
	Loan against FD			
1	**State Bank of Travancore**	26.85	17.83	38.98
2	**Union Bank of India**	16.15	-	-
3	**IDBI Limited**	2.55	-	2.65
	Vehicle Loan			
1	**ICICI Bank**	8.89	8.76	2.36
2	**Citi Bank**	-	0.37	0.61
	Total	**4,021.41**	**4,608.60**	**2,781.19**

ANNEXURE XIV-B

STATEMENT OF UNSECURED LOANS AS RESTATED, CONSOLIDATED

(Amount in Rs. Million)

Particulars	**As at March 31,**		
	2009	**2008**	**2007**
Loan From Promoters	100.79	84.86	20.34
Loan from Other Group Companies	6.33	17.20	7.14
Loan from Other Non Group Companies	78.57	7.98	7.84
Loan From Others	130.86	798.35	71.37
Total	**316.55**	**908.39**	**106.69**

STANDALONE RESTATED FINANCIALS

ANNEXURE I-A

	STANDALONE RESTATED STATEMENT OF ASSETS AND LIABILITIES					
						(Amount in Rs. Million)
	Particulars	**As at March 31,**				
		2009	**2008**	**2007**	**2006**	**2005**
A	**Fixed Assets**					
	Gross Block	17.47	17.33	2.93	1.00	0.82
	Less: Depreciation	6.54	3.04	0.44	0.43	0.26
	Net Block	**10.93**	**14.29**	**2.49**	**0.57**	**0.56**
	Capital Work in Progress (including capital advance payments)	4.44	4.32	-	-	-
	Total Fixed Assets	**15.37**	**18.61**	**2.49**	**0.57**	**0.56**
B	**Investments**	**1,188.10**	**985.96**	**479.77**	**69.30**	**8.02**
C	**Current Assets, Loans and Advances**					
	Inventories	711.05	1,090.41	263.71	56.88	33.20
	Sundry Debtors	-	-	0.23	0.70	0.84
	Cash & Bank balances	20.43	55.14	189.93	6.91	2.56
	Other Current Assets	-	-	-	-	-
	Loans and advances	3,072.72	2,864.86	1,009.79	253.28	67.06
		3,804.20	**4,010.41**	**1,463.66**	**317.77**	**103.66**
D	**Deferred Tax Assets**	**-**	**0.68**	**0.10**	**-**	**-**
	Total Assets (A+B+C+D)	**5,007.67**	**5,015.66**	**1,946.02**	**387.64**	**112.24**
E	**Liabilities & Provisions**					
	Loan Funds					
	Secured Loans	1,197.57	1,577.33	968.83	200.00	-
	Unsecured Loans	-	0.06	9.00	65.74	-
		1,197.57	**1,577.39**	**977.83**	**265.74**	**-**
	Deferred Tax Liability	**-**	**-**	**-**	**0.13**	**0.18**
	Current Liabilities & Provisions					
	Current Liabilities	1,910.35	1,633.79	324.64	35.81	48.35
	Provisions	0.54	2.16	10.74	0.69	2.02
		1,910.89	**1,635.95**	**335.38**	**36.50**	**50.37**
	Total Liabilities (E)					

	3,108.46	**3,213.34**	**1,313.21**	**302.37**	**50.55**
F Share Application Money (F)	**8.35**	**8.35**	**440.59**	**-**	**-**
G Net worth (A+B+C+D) - (E)-(F)	**1,890.86**	**1,793.97**	**192.22**	**85.27**	**61.69**
Represented by:					
Shareholders' funds					
Share Capital	639.73	639.73	90.50	0.50	0.50
Reserves & Surplus	1,251.13	1,154.24	101.72	84.77	61.19
a) Securities Premium Account	999.97	999.97	-	-	-
b) General Reserve	10.00	10.00	-	-	-
c) Profit and Loss Account	241.16	144.27	101.71	84.77	61.19
Total	**1,890.86**	**1,793.97**	**192.22**	**85.27**	**61.69**

ANNEXURE II – A

STANDALONE RESTATED STATEMENT OF PROFIT & LOSSES

(Amount in Rs. Million)

Particulars	**For the Year Ended March 31,**				
	2009	**2008**	**2007**	**2006**	**2005**
Income					
Income from Operation:					
Revenue from real estate development / sale	528.38	4.38	26.73	187.77	-
Share of profit from partnership firms engaged in real estate business	188.34	416.88	128.29	-	-
Project Management Fees	-	22.04	73.28	-	-
Total Income from Operation	**716.72**	**443.30**	**228.30**	**187.77**	**-**
Other income	197.22	20.85	0.33	0.35	4.15
Total Income	**913.94**	**464.15**	**228.63**	**188.12**	**4.15**
Expenditure					
Cost of revenue	523.15	1.02	22.08	118.26	-
Personnel expenses	39.47	21.40	12.43	0.45	0.52
Operating and other expenses	37.20	82.38	35.35	2.65	1.59
Operating Expenses	**599.82**	**104.80**	**69.86**	**121.36**	**2.11**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**314.12**	**359.35**	**158.77**	**66.76**	**2.04**
Interest and Finance Charges	212.87	187.23	38.19	0.05	0.07
Depreciation	3.50	2.60	0.27	0.17	0.13

Profit before tax, exceptional items and prior period items	**97.75**	**169.52**	**120.31**	**66.54**	**1.84**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	0.20	0.40	1.61	4.82	-
Deferred Tax	0.88	(0.81)	(0.07)	-	-
Tax for earlier years	1.03	-	-	0.51	0.03
Profit before exceptional items and prior period items	**95.64**	**169.93**	**118.77**	**61.21**	**1.81**
Exceptional items	-	(4.95)	-	-	-
Prior Period items	(8.49)	(3.15)	-	-	-
Net profit for the year (A)	**87.15**	**161.83**	**118.77**	**61.21**	**1.81**
Adjustments: (Refer Note No. 3 (a) of Annexure IV-A)					
Recognition of Revenue - Change in policy	-	-	-	(105.57)	105.57
Matching Cost of Revenue - Change in policy	-	0.12	0.63	69.78	(70.64)
	-	-	-	-	-
Interest cost - Exceptional Items	-	4.95	-	(4.95)	-
Prior Period Expenses of 2007-08	-	3.15	(3.15)	-	-
Prior Period Expenses of 2008-09	8.49	(8.49)	-	-	-
Deferred Tax now provided / reversed	0.20	(0.23)	0.16	0.05	(0.18)
Profits/(Losses) from Partnership Firms, not recognised in the relevant year	-	-	0.02	(0.02)	0.00
Preliminary Expenses written off	-	-	-	0.00	-
Total Adjustments	**8.69**	**(0.50)**	**(2.34)**	**(40.71)**	**34.75**
Tax Impact of above adjustments	-	-	(0.85)	(3.46)	2.37
Tax impact - others	(1.03)	0.15	-	0.37	0.48
Total Tax Impact of adjustments	**(1.03)**	**0.15**	**(0.85)**	**(3.09)**	**2.85**
Total Adjustments after tax impact (B)	**9.72**	**(0.65)**	**(1.49)**	**(37.62)**	**31.90**
Net Profit, as Restated (A+B)	**96.87**	**161.18**	**117.28**	**23.59**	**33.71**
Earning Per Share (Basic)	**1.51**	**2.59**	**1.91**	**0.38**	**0.55**
Earning Per Share (Diluted)	**1.51**	**2.58**	**1.90**	**0.38**	**0.55**

ANNEXURE III-A

STANDALONE RESTATED STATEMENT OF CASH FLOW

						(Amount in Rs. Million)
	Particulars	**For the Financial Year Ended March 31**				
		2009	**2008**	**2007**	**2006**	**2005**
A.	**Cash Flow from Operating Activities**					
	Net Profit before tax as restated	**97.75**	**161.15**	**117.80**	**25.78**	**36.78**
	Adjustment for :					
	Depreciation	3.50	2.60	0.27	0.17	0.13
	Interest Income	-	-	-	-	0.07
	Dividend Income	(0.17)	(1.36)	(0.00)	(0.00)	-
	(Profit)/Loss on Sale of Fixed Assets	-	-	(0.05)	-	-
	(Profit)/Loss on Sale of Long Term Investments	(194.56)	-	-	-	-
	Tax Receivable W/off	-	-	-	0.36	-
	(Profit)/loss From Partnership Firm	(188.34)	(416.88)	(128.29)	0.02	(0.00)
	Interest & Finance charges	210.29	187.56	38.84	4.79	-
	Sub Total	**(169.28)**	**(228.08)**	**(89.23)**	**5.34**	**0.20**
	Operating profit before working capital changes	**(71.53)**	**(66.93)**	**28.57**	**31.12**	**36.98**
	Adjustments for:					
	Changes in Trade and other Receivables	-	0.23	0.47	0.14	(0.84)
	Changes in Inventories	379.36	(826.70)	(140.71)	(23.68)	12.12
	Changes in Loans & Advances	(200.63)	(1,855.45)	(633.01)	(186.22)	(66.92)
	Changes in Trade and other Payables	275.08	1,311.06	244.70	(12.55)	27.97
	Cash from operations	**382.28**	**(1,437.79)**	**(499.98)**	**(191.19)**	**9.31**
	Income Taxes paid	(7.59)	(0.40)	(9.54)	(3.92)	(0.03)
	Net cash from/(used) in operating activities (A)	**374.69**	**(1,438.19)**	**(509.52)**	**(195.11)**	**9.28**
B	**Cash Flow from Investing Activities**					
	Purchase of Fixed Assets including Capital Work in Progress	(0.25)	(18.72)	(3.21)	(0.18)	(0.35)
	Sale of Fixed Assets	-	-	1.07	-	-
	Interest Income	-	-	-	-	(0.07)
	Dividend Income	0.17	1.36	0.00	0.00	-
	Investments during the year	(202.13)	(506.12)	(513.52)	(61.29)	1.99
	Profit/(Loss) from partnership firms	188.34	416.88	128.29	(0.02)	0.00
	Profit on sale of investment	194.56	-	-	-	-

	Net cash from/(used) in investing activities (B)	**180.69**	**(106.60)**	**(387.37)**	**(61.49)**	**1.57**
	Cash Flow from Financing Activities					
C.	Proceeds from share capital & Share Application Money	-	1,008.35	440.59	-	-
	Borrowings (Net)	(379.81)	611.52	653.41	265.74	(8.34)
	Interest Paid	(210.29)	(187.56)	(38.84)	(4.79)	-
	Dividend Paid	-	(10.33)	-	-	-
	Net cash from/(used) in financing activities (C)	**(590.10)**	**1,421.98**	**1,055.16**	**260.95**	**(8.34)**
	Net (Decrease) / Increase in cash (A+B+C)	**(34.72)**	**(122.81)**	**158.27**	**4.35**	**2.51**
	Cash and cash equivalents at beginning of year	42.37	165.18	6.91	2.56	0.05
	Cash and cash equivalents at end of year/period	7.65	42.37	165.18	6.91	2.56
	Net (Decrease) / Increase as above	(34.72)	(122.81)	158.27	4.35	2.51

Note:

Cash and cash equivalents exclude balance in margin money.

Annexure IV-A

Significant Accounting Policies And Selected Notes To Standalone Statement Of Profits & Losses and Assets & Liabilities, As Restated.

1. Nature of Operations:

Kumar Urban Development Limited ("the Company") was incorporated on May 25, 1993. The Company is primarily engaged in the business of real estate development and sale.

2. Significant Accounting Policies

(a) Basis of preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

(c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation

Depreciation is provided using the Written Down Value Method ("WDV") at the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.

Assets individually costing Rs. 5,000 or less each are depreciated 100% in the year of purchase.

(e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(f) Borrowing Costs

Borrowing costs relating to construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to constructions activities nor are incidental thereto are charged to the Profit and Loss account.

(g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in current assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct cost such as legal cost, brokerage cost etc. are charged immediately to the Profit and Loss account.

(h) Investments

Investments that are specifically realizable and intended to be held not more than one year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

(i) Inventories

Inventories are valued as follows:

Land and development rights (including development cost)	Land and development rights (including development cost) other than areas transferred to constructed properties at the commencement of construction are value at lower of cost and net realizable value. Costs include land acquisition cost and related development costs.

Construction materials	Construction materials are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. However, inventory of construction materials is not written down below cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at lower of cost and net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing cost) during the construction period to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss account.
Completed unsold flats/units	Lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion (wherever applicable) and estimated costs necessary to make the sale.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) *Revenue from real estate development / sale*

Revenue from real estate development / sale is recognized upon transfer of all significant risks and rewards of ownership of such real estate property, as per the terms of the contracts with buyers, which generally coincides with the firming of the sales contracts / agreements, except for contracts, where the Company still has obligations to perform substantial acts even after the transfer of significant risks and rewards of ownership.

Where the Company is obliged to perform substantial acts even after the transfer of significant risks and rewards of ownership, revenue is recognized on proportionate basis as the acts are performed i.e. by applying the "Percentage of Completion method" only when the outcome of the construction activity can be estimated reliably. The stage of completion is determined with reference to the proportion of cost incurred for work performed up to the reporting date bear to the estimated total cost and for the area sold up to the reporting date.

Revenue earned in excess of billing is reflected under "Other Current Assets". Billing to customers in excess of revenue earned is reflected under "Current liabilities".

The estimated total cost of the project as determined, is based on management's estimate from the inception till the final completion of the project and includes cost of land, materials, services and other related overheads.

The estimates of the saleable area and costs are reviewed periodically and effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

When the outcome of the construction activity cannot be estimated reliably, revenue is recognized only to the extent of cost of land and other construction costs incurred of which recovery is probable and such cost is recognized as an expense in the period in which they are incurred.

ii) *Interest*

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) *Rent*

Revenue is recognized on a time proportion basis as per the contractual obligations agreed with the respective tenant.

iv) *Dividends*

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

v) *Profit /Loss from partnership firms*

Share of profit / loss from firms in which the Company is a partner is accounted for in the financial year ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deeds.

(k) Cost of revenue

Cost includes cost of land and development rights (including development cost) plots, construction costs and borrowing cost.

i) Cost of land and development rights includes land acquisition cost, estimated internal development costs and external development charges, which is charged to the Profit and Loss account proportionate to land / plotted area in respect of which revenue is recognised as per accounting policy no. 2 (j) (i) above, in consonance with the concept of matching cost and revenue. Final adjustments, if any are made on completion of the applicable project.

ii) Construction cost includes construction materials, construction overheads and other site expenses, which are charged to the Profit and Loss account proportionate to the revenue recognized as per accounting policy no. 2 (j) (i) above, in consonance with the concept of matching cost and revenue. Final adjustments, if any, are made on completion of the applicable project.

(l) Advance/Deposits for properties

Amounts paid by the Company to the seller toward outright purchase of land is recognized as 'Advances/Deposit for Land' under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to inventory, "Land and plots (including development cost)".

(m) Employee benefits

i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii) The company provides for Gratuity, a defined benefit retirement plan, covering eligible employees. The scheme is funded with Life Insurance Corporation of India. Liability under Gratuity plan is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

iv) Actuarial gains or losses are immediately taken to Profit and Loss account and are not deferred.

(n) Accounting for Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Disclosures for a Contingent Liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources.

Contingent Assets are neither recognized nor disclosed in the financial statements.

(q) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(r) Transactions in Foreign Currency

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant gains or losses are recognized in the Profit and Loss account.

3. Selected Notes to Statements of Profits & Losses and Assets & Liabilities, As Restated

(a) Adjustments to Restated Statement of Profits & Losses and Assets & Liabilities

i) Adjustments resulting from changes in accounting policies

During the year ended March 31, 2007, the Company has revised the accounting policy for recognizing revenue on constructed properties from Completed Contracts Method to percentage of completion method. This change was adopted pursuant to the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the ICAI. Accordingly, revenue from sale of constructed properties has been recomputed for the years ended March 31, 2005 and 2006 in the Financial Statements, as Restated. Also the matching cost of above mentioned revenues have been charged in the respective years.

ii) Exceptional items represents interest on inventories (land) wrongly included in inventories in the year 2005-06 have now been charged off in that year.

iii) Prior period items and Taxation of earlier years.

The Company recorded prior period items and taxation of earlier years in respect of annual periods from April 1, 2005 to March 31, 2009, the effect of these items have been charged in the respective periods of origination.

iv) Tax impact of adjustments

Current Tax Impact of adjustments on restatement has been provided at the applicable tax rate.

v) Material reclassification

Investment in property and related expenses incurred thereon has been reclassified at cost from “Investment” to “Inventories” during the year ended March 31, 2007. Hence, the effect for the same has been given while presenting restated financials for the year 2004-05 and 2005-06.

(b) Segment Information

Business Segments :

Based on similarity of activities/products, risk and reward structure, organization structure and internal reporting systems, the Company has structured its operations into one reportable business segment i.e. real estate development.

Geographical Segments :

The Company is operating in the same geographical segment hence operations of the Company do not qualify, for reporting as geographic segments, the criteria set out under Accounting Standard 17 on Segment reporting.

(c) Gratuity

The following tables summarize the components of net benefit expense recognized in the Profit and Loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost) for the year ended:

(Rs. Million)

	March 31, 2009	March 31, 2008
Current Service Cost	0.45	1.14
Interest Cost on Benefit Obligation	0.26	0.06

Expected Return on Plan Assets	(0.15)	(0.03)
Net Actuarial (Gain) / loss recognized in the Year	(2.23)	0.80
Past Service Cost		
Net Benefit Expense / (Income)	*(1.67)*	*1.97*
Actual Return on Plan Assets	-	-

Balance Sheet

Details of provision for Gratuity as at:

(Rs. Million)

	March 31, 2009	March 31, 2008
Defined Benefit Obligation	0.92	3.24
Fair Value of Plan Assets	1.21	1.50
Less: Unrecognized past service cost	-	-
Plan Asset / (Liability)	0.29	(1.74)

Changes in the present value of the defined benefit obligation for the year ended:

(Rs. Million)

	March 31, 2009	March 31, 2008
Opening defined benefit obligation	3.24	0.69
Interest cost	0.26	0.06
Current service cost	0.45	1.14
Benefits paid	-	(0.04)
Actuarial (Gains) / Loss on obligation	(3.03)	1.39
Closing defined benefit obligation	0.92	3.24

Changes in fair value of plan assets are as follows:

(Rs. Million)

	March 31, 2009	March 31, 2008
Opening fair value of plan assets	1.50	0.40
Expected return	0.15	0.03
Contributions by employer	0.35	0.52
Benefits paid	-	(0.04)
Actuarial Gains / (Losses)	(0.80)	0.59
Closing fair value of plan assets	1.20	1.50

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at March 31, 2009	As at March 31, 2008
	%	%
Discount Rate	7	8
Expected rate of return on assets	9.15	7.5
Increase in Compensation Cost	First five year - 10.00	First five year - 10.00
	Thereafter – 7.00	Thereafter - 7.00

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Till March 31, 2006, the Company was providing for gratuity based on actuarial valuation as per Life Insurance Corporation of India (LIC) certificate. During the year ending March 2007 onwards, the Company has provided the gratuity on the basis of independent actuarial valuation performed by an actuary at the end of the financial year. This change is not having material impact in the profit.

(d) Leases

In case of assets taken on lease

Operating Lease:

The Company has taken insignificant operating leases.

In case of Assets given on Lease

Operating Lease:

The Company had leased out terrace space on operating lease. The lease term was for 5 years. There was no escalation clause in the lease agreement. The said lease agreement got terminated during the current financial year

There are no uncollectible minimum lease payments receivables at the balance sheet date.

	As at March 31,			(Amount in Rs. Million)	
	2009	2008	2007	2006	2005
Future minimum lease payments					
Not later than one year	-	0.15	0.13	0.13	-
Later than one year and not later than five years	-	0.53	0.62	0.75	-
Later than five years	-	-	-	-	-
Total	**-**	**0.68**	**0.75**	**0.89**	**-**

(e) Contingent Liabilities not provided for

Particulars	As at March 31, (Amount in Rs. Million)				
	2009	2008	2007	2006	2005
Guarantees and counter guarantees issued by the Company on behalf of Subsidiary companies and firms	2,859.97	1,800.00	40.00	-	-
Income tax Demand not acknowledged as debt (including interest up to the date of demand)	23.11	-	-	-	-
Claims against the Company not acknowledged as debts	-	-	0.05	-	-
Total	**2,883.08**	**1,800.00**	**40.05**	**-**	**-**

(f) Construction Contracts

	As at March 31,		(Amount in Rs. Million)		
	2009	2008	2007	2006	2005
Contract revenue recognised as revenue for the year ended	Nil	4.38	24.80	82.19	105.57
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress	270.07	253.19	217.11	194.54	131.20
The amount of customer advances outstanding for contracts in progress	0.47	0.10	9.06	8.74	20.20
Gross Amount due from Customers (unbilled Revenue)	Nil	Nil	Nil	Nil	Nil
Gross amount due to Customers (Advance Billing)	Nil	Nil	Nil	Nil	Nil

(g) Deferred Tax Asset / (Liability) (Net)

	As at March 31,		(Amount in Rs. Million)		
	2009	2008	2007	2006	2005
Deferred Tax (Liabilities)					
Difference in depreciation in block of fixed assets as per tax books and financial books	-	-	-	0.13	0.18
Gross Deferred Tax Liabilities	**-**	**-**	**-**	**0.13**	**0.18**
Deferred Tax Assets					
Difference in WDV of block of fixed assets as per tax books and financial books	0.44	0.02	0.00	-	-
Difference due to provision for leave encashment	-	0.07		-	-
Difference due to gratuity provision	-	0.59	0.10	-	-
Gross Deferred Tax Assets	0.44	0.68	0.10	-	-

Net Deferred Tax Assets / (Liabilities)					
	0.44*	**0.68**	**0.10**	**0.13**	**0.18**

*As a matter of prudence, the company has not recognized deferred tax assets in the financial statements for the year ended March 2009.

(H) Related Parties

(i) Names of related parties

A. Mr. Lalit Kumar Jain & Family have controlling stake in the Company.

Names of related parties where control exist and other related parties with whom transactions have occurred:

- ***Holding company or group of individuals having control or significant influence over The Firm and relatives of such individuals***
  1. Mr. Lalit Kumar Jain
  2. L.K. Jain (HUF)
  3. Sukumar Housing & Finance Pvt. Ltd.
  4. Kruti Kumar Reality Holding Pvt.Ltd

- ***Subsidiaries***

Companies

i. Kumar Housing Corporation Limited
ii. Kumar Perfumeries Private Limited
iii. Kumar Builders Township Ventures Private Limited
iv. Sukumar Enviro Farms Private Limited
v. L. K. Developers Private Limited
vi. Pune Technopolis Development Private Limited
vii. Sinew Developers Limited
viii. Pune Mumbai Realty Private Limited
ix. River View Properties Private Limited
x. Kumar City club ltd.
xi. Kumar Builders Township Developers Pvt. Ltd
xii. Khiranagar Development Private Limited
xiii. Kumar Sinew Developers Limited
xiv. Sukumar Relators & Capital Pvt. Ltd.

Partnership Firms

i. K. K. Erectors
ii. Kumar Builders Mumbai
iii. Omved Turnkey Project Developers
iv. Kumar Builders
v. K.G.Ventures
vi. Kumar Sons
vii. Kumar Builders Consortium
viii. Kumar Beharay Rathi

Joint Ventures

i. Techno Lifestyle Development Corporation
ii. Kumar Urbana
iii. Suryodaya Estates
iv. Kumar Santosh

- ***Key Management Personnel (Managing Director, Whole time Director, Manager & other Managerial persons)***

1. Mr. Lalit Kumar Jain
2. Ms. Kruti Jain
3. Mr. Shailesh Hingarh

- ***Enterprises owned or significantly influenced by key management personnel or their relatives***

Companies

1. Idar Hotels Private Limited
2. Kayfab Enterprises Pvt.Ltd.
3. Pune Mumbai Reality Pvt. Ltd.
4. Shatrunjay Constructions & Developers Pvt.Ltd.
5. Kumar Horticulture Pvt. Ltd.
6. Kumar IKA Port Developers Private Limited
7. Sukumar E-Commerce Ltd.
8. Ketki Properties & Estates Pvt. Ltd.
9. Bandra Realty Pvt. Ltd.
10. Pune Urban Estate Private Limited
11. Amit Bhosale Developers Pvt. Ltd.
12. Sukumar Machines & Constructions Pvt.Ltd.
13. Sukumar Relators & Capital Pvt. Ltd.

Partnership Firm

14. Avi Constructions
15. Kumar Builders Township Ventures

- ***Relatives of Key Management Personnel who may influence or be influenced by such personnel in his dealings with the Company***

1. Mrs. Madhu L Jain - Wife of L K Jain
2. Mr. Pranay Jain - Son of L K Jain

	Mar 31, 2009	**Mar 31, 2008**	**Mar 31, 2007**	**Mar 31, 2006**	**Mar 31, 2005**
Transactions during the year	**-**	**-**	**-**	**-**	**-**
Material Transfer	**-**	**-**	**-**	**-**	**-**
Others	-	0.24	0.48	0.73	-
Material Received					
Kumar Housing Corporation Ltd.	0.12	-	-	-	-
Others	0.01	0.11	0.23	0.06	0.09
Shares Purchased (Investment during the year)					

L K Jain	0.19	-	-	-	-
Kruti Jain	0.01	-	-	-	-
Shailesh Hingarh	0.01	-	-	-	-
Sinew Developers Ltd.	0.01	-	-	-	-
Advances Received					
Ider Hotels Pvt.Ltd.	-	-	-	-	10.00
Kumar Builders	-	-	-	-	48.50
Kumar Housing Corporation Ltd.	-	-	-	-	38.95
Kumar Perfumeries Pvt.Ltd.	-	-	-	-	0.68
Advances Given					
Kayfab Enterprises Pvt.Ltd.	-	-	-	-	34.24
Investment During the Year					
Pune Mumbai Reality Pvt. Ltd.	-	-	-	-	0.01
Sale of Land and Developed Plots					
L. K. Developers Pvt. Ltd.	528.38	-	-	-	-
Purchase of Land and Developed Plots					
Riverview Properties Pvt. Ltd.	8.10	-	-	-	-
Rent (Expense) / income					
L K Jain	(0.11)	(0.10)	(0.10)	(0.10)	(0.68)
M L Jain	(0.11)	(0.10)	(0.10)	(0.10)	-
L K Jain (HUF)	(0.11)	(0.10)	(0.10)	(0.10)	-
Sale of fixed assets					
L.K.Jain (HUF)	-	-	0.59	-	-
Interest Received					
Kumar Sons	23.14	0.53	0.23	-	-
K K Erectors	14.67	9.20	0.72	0.45	-
Kumar Builders, Mumbai	7.60	-	0.24	-	-
Kumar Builders Township Ventures Pvt. Ltd.	12.77	28.88	-	-	-
Pune Mumbai Reality Pvt. Ltd.	8.10	(1.53)	1.69	-	-
Others	-	33.89	19.89	6.35	-
Interest Paid					

Kumar Beheray Rathi	7.68	-	-	-	-
Kumar Builders	64.39	-	-	-	-
Kumar Housing Corporation Ltd.	-	24.13	4.95	-	-
Kumar Sons	0.22	-	-	-	-
Others	-	-	(1.09)	-	-
Remuneration paid					
L K Jain	0.01	13.50	1.80	-	-
Kruti L.Jain	0.01	6.75	0.90	-	-
Royalty payment					
L. K. Jain	-	0.04	0.09	-	-
Advance From Customers received during the year					
Kumar Housing Corporation Ltd.	67.85	728.16	-	-	-
Share Application Money Paid during the year					
Kumar Builders Township Developers Pvt. Ltd.	53.60	91.25	-	-	-
Kumar IKA Port Developers Pvt. Ltd.	1.50	-	-	-	-
Loans Given during the year					
Kumar Perfumeries Pvt. Ltd.	324.00	56.61	-	-	-
Khiranagar Development Pvt. Ltd.	193.80	-	-	-	-
Sinew Developers Ltd.	310.68	-	-	-	-
Kumar Builders Township Ventures Pvt. Ltd.	143.10	475.10	-	-	-
Kumar Housing Corporation Ltd.	-	902.62	-	-	-
Others	276.23	342.19	-	-	-
Loans Taken during the year					
Sukumar Housing & Finance Private Ltd.	0.30	-	-	-	-
Kumar Housing Corporation Ltd.	-	902.62	-	-	-
Others	-	4.79	-	-	-
Balances outstanding as at the balance sheet date					

Loans Taken	-	-	-	-	-
Sukumar Machines & Constructions Pvt.Ltd.	-	0.06	-	-	-
Loans Given					
Sinew Developers Ltd.	727.44	673.34	0.65	-	-
Kumar Perfumaries Pvt. Ltd.	366.70	56.60	-	-	-
L.K.Developers Pvt.Ltd.	530.65	0.10	-	-	-
River View Properties Pvt. Ltd.	267.59	190.00	-	-	-
Kumar Builders Township Ventures Pvt. Ltd.	-	475.10	-	-	-
Others	309.94	261.45	269.22	59.48	-
Advances Received					
Ider Hotels Pvt.Ltd.	-	-	-	-	10.00
Kumar Housing Corporation Ltd.	-	-	-	-	38.95
Others	-	-	-	-	0.68
Advances Given					
Kayfab Enterprises Pvt.Ltd.	-	-	-	-	34.24
Others	-	-	-	-	1.18
Share Appliaction Money Paid					
Pune Mumbai Realty Pvt. Ltd.	62.19	62.19	-	-	-
Riverview Properties Pvt Ltd	88.98	88.98	-	-	-
Kumar Builders Township Developers Pvt. Ltd	144.85	91.25	-	-	-
Kumar IKA Port Developers Pvt Ltd	1.50	-	-	-	-
Share Application Money Received					
Madhu Jain	2.31	2.31	-	-	-
L K Jain	4.23	4.23	-	-	-
Others	1.21	1.21	-	-	-
Advance from customers					
Kumar Housing Corporation Ltd.	796.01	728.16	-	-	-
Sundry Creditors					
Riverview Properties Private Ltd.	8.10	-	-	-	-
Others	-	-	-	-	0.09

Rent Payable					
L K Jain HUF	0.11	0.10	-	-	-
M L Jain	0.11	0.10	-	-	0.28
L K Jain	0.11	0.10	-	-	0.28
Royalty payable					
L. K. Jain	-	0.02	-	-	-
Interest Receivable					
Kumar Sons	23.14	0.53	-	-	-
Kumar Builders Mumbai	7.60	-	-	-	-
K K Erectors	14.67	10.74	-	-	-
Pune Mumbai Realty Pvt. Ltd.	6.27	0.34	-	-	-
Kumar Builders Township Ventures Pvt. Ltd.	9.88	22.33	-	-	-
Others	0.07	40.16	-	-	-
Interest Payable					
Kumar Builders	57.10	-	-	-	-
Others	7.01	-	-	-	-
Guarantees Given					
Kumar Builders	310.00	-	-	-	-
Kumar Housing Corporation Ltd.	2,492.47	1,800.00	-	-	-
Kumar Sons	45.00	-	-	-	-
Guarantees Taken					
Kumar Beheray Rathi	219.97	-	-	-	-
L K Jain	1,155.36	1,642.88	-	-	-

(I) Business Acquisition

As at April 1, 2006 Kumar Urban Development Limited ("the Company") acquired specific assets of Kumar Builder which was the Sole Proprietorship of Mr. L K Jain "the Chairman of the Company" at its book value.

The value of the identifiable assets and liabilities of Kumar Builder as on the date of acquisition and are as follows:

	Amount (Rs. Million)
	Amount Rs.

Current Assets	174.17
Investment	8.39
Total Assets	**182.56**
Current Liabilities and provisions	31.76
Loans	127.79
Total Liabilities	**159.56**
Net value of Identifiable assets	**23.00**
Cost of Acquisition /Disposal	**23.00**

(J) Disposal of Kumar Builder

As at March 31, 2008, the Company disposed specific assets of Kumar Builder, a Sole Proprietorship of the Company at its book value. The value of the identifiable assets and liabilities of Kumar Builder as on the date of disposal are as follows:

	Amount (Rs. Million)
	Amount Rs.
Current Assets	391.22
Investment	27.48
Total Assets	**418.70**
Current Liabilities and provisions	26.57
Loans	124.94
Total Liabilities	**151.51**
Net value of Identifiable assets	**267.19**
Cost of Acquisition /Disposal	**267.19**

(K) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated at the Statement of Assets and Liabilities. Provision for Depreciation and all known liabilities is adequate and not in excess of what is required.

(L) In the case of Sinew Developers Limited (Subsidiary Company), pursuant to an agreement entered into with the banker, the Company has a commitment to acquire the balance shares at the consideration mentioned below:

	As at March 31, 2009	**As at March 31, 2008**

Number of Shares to acquire (Million Nos)	0.43	1.81
Committed Consideration (Rs. Million)	36.79	153.59

ANNEXURE V -A

STATEMENT OF SUNDRY DEBTORS AS RESTATED,

(Amount in Rs. Million)

Particulars	As at March 31, 2009	2008	2007	2006	2005
Unsecured, considered good Outstanding for a period:					
Not exceeding Six Months	-	-	0.23	0.70	0.84
Exceeding Six Months					
Total	**-**	**-**	**0.23**	**0.70**	**0.84**
Amount Due from Promoters/Promoters group companies and Directors included in Sundry Debtors, not exceeding Six Months above:	-	-	-	-	-

ANNEXURE VI -A

STATEMENT OF LOANS AND ADVANCES AS RESTATED,

(Amount in Rs. Million)

Particulars	As at March 31, 2009	2008	2007	2006	2005
Unsecured, Considered Good					
Advances recoverable in cash or in kind or for value to be received	93.32	103.52	62.93	0.16	0.83
Share Application Money Pending Allotment	0.60	-	-	-	-
Income Tax/ TDS (Net of Provisions)	32.03	24.80	8.11	-	-
Sundry Deposits	332.24	388.00	195.63	6.74	0.02
Dues from Promoters	**-**	**6.48**	**196.75**	**63.43**	**2.85**
Advance to subsidiaries / firms	**2,604.80**	**2,262.52**	**446.25**	-	**-**
Dues from group companies / associates	**9.73**	**79.54**	**98.52**	**182.65**	**63.36**
Other Receivables	-	-	1.60	0.30	-
Total	**3,072.72**	**2,864.86**	**1,009.79**	**253.28**	**67.06**

Annexure VII - A

STATEMENT OF INVESTMENTS AS RESTATED,

(Amount in Rs. Million)

Particulars	Face Value (Rs.)	As at March 31,				
		2009	2008	2007	2006	2005
Long term Investments (At Cost):						
Unquoted						
A. In subsidiary companies						
Equity Shares, fully paid up						
Kumar Builders Township Ventures Private Limited	10	179.57	185.00	122.50	-	-
Kumar Horticulture Private Limited	100	-	-	0.12	-	-
Kumar Builders Township Developers Private Limited	10	0.10	-	-	-	-
Kumar Housing Corporation Limited	10	149.21	149.21	57.37	-	-
Khira Nagar Development Private Limited	10	0.10	-	-	-	-
Kumar Perfumeries Private Limited	100	0.12	0.12	0.12	-	-
Shatrunjay Constructions Private Limited	100	-	-	0.23	-	-
Krutikumar Reality Holdings Private Limited	10	-	-	0.10	-	-
L.K. Developers Private Limited	10	0.10	0.10	-	-	-
Pune Mumbai Reality Private Limited	10	0.10	0.10	-	-	-
Pune Technopolis Development Private Limited	10	0.10	0.10	-	-	-
Sinew Developers Limited	10	577.98	231.98	-	-	-
Sukumar Enviro Farms Private Limited	10	0.12	0.12	0.12	-	-
Kumar Sinew Developers Limited	10	0.01	-	-	-	-
River View Properties Private Limited	10	0.07	0.07	-	-	-
		907.58	**566.80**	**180.56**	-	-
B. Investment in Partnership Firms						
K G Ventures		-	3.47	2.70	0.05	-
K.K.Erectors		127.90	118.10	40.20	-	-
Kumar Builders Mumbai		0.98	52.90	36.26	-	-
Kumar Beharay Rathi		0.03	0.03	7.46	-	-
Kumar Builders		0.05	-	70.56	-	-
Kumar Builders Consortium		0.30	-	-	0.01	-
Kumar Estates		-	17.29	17.29	-	-
Kumar Sons						-

		131.28	197.82	24.01	2.41	
Oswal Nibjiya and Mutha Associates		-	6.38	6.34	5.48	5.45
Sadashiv Development		-	3.69	3.68	-	-
Omved Turnkey Project Developers		1.48	0.98	-	-	-
Techno Lifestyle Development Corporation		18.49	18.49	16.33	11.13	-
Kumar & Ghai		-	-	-	0.03	0.03
Lalit Infrastructure		-	-	-	-	0.02
		280.51	**419.15**	**224.83**	**19.11**	**5.50**
C. Others						
Equity Shares, Fully paid up						
Pune Sahakari Bank Limited	10	0.01	0.01	0.01	0.01	0.01
Sukumar E-commerce Private Limited	10	0.00	0.00	0.00	0.00	0.00
Bandra Realty Private Limited	10	-	-	-	0.01	-
Shree Suvarna Sahakari Bank Limited	10	-	-	0.50	-	-
Pune Mumbai Reality Private Limited	10	-	-	0.01	0.01	0.01
River View Properties Private Limited	10	-	-	0.01	-	-
Sinew Developers Limited	10	-	-	65.96	50.11	-
Sukumar Housing and Finance Ltd		-	-	-	-	2.50
Kumar Builders Township Ventures Private Limited		-	-	-	0.05	-
Kumar Housing Corporation Limited		-	-	-	0.00	0.00
		0.01	**0.01**	**66.49**	**50.19**	**2.52**
D. Investment in Joint Venture						
Kumar Serenade		-	-	7.89	-	-
		-	-	**7.89**	-	-
Total		**1,188.10**	**985.96**	**479.77**	**69.30**	**8.02**

ANNEXURE VIII-A

STATEMENT OF ACCOUNTING RATIOS AS RESTATED,

Particulars		**As At March 31,**				
		2009	**2008**	**2007**	**2006**	**2005**
Networth (Rs. Million)	A	1,890.86	1,793.97	192.22	85.27	61.69
Restated Profit after Tax (Rs. Million)	B	96.87	161.18	117.28	23.59	33.71
No. of Shares outstanding at the end of the year (Million Nos)	C	63.97	63.97	9.05	0.05	0.05

Weighted average number of shares outstanding (Basic) (Million Nos)	D	63.97	62.34	61.49	61.49	61.49
Weighted average number of shares outstanding (Diluted) (Million Nos)	E	63.99	62.35	61.71	61.49	61.49
Earnings per Share (Basic) (Rs.)	**B/D**	**1.51**	**2.59**	**1.91**	**0.38**	**0.55**
Earnings per Share (Diluted) (Rs.)	**B/E**	**1.51**	**2.58**	**1.90**	**0.38**	**0.55**
Return on Net worth (%)	**B/A**	**5.12%**	**8.98%**	**61.01%**	**27.67%**	**54.65%**
Net Asset Value per Share (Rs.)	**A/C**	**29.56**	**28.04**	**21.24**	**1,705.38**	**1,233.73**
Note:						
Ratios have been computed as below:						
Earnings per share – Basic (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the						
Earnings per share – Diluted (Rs.) = Net Profit as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outst						
Return on Networth (%) = Net Profit after tax, as restated / Networth at the end of the year.						
Net asset value per equity share (Rs.) = Networth at the end of the year / Number of equity shares outstanding at the end of the year						

Note: 31.99 Million Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus shares in the ratio of 1 shares for every 2 shares held on 25th September, 2009 by way of capitalization of reserves & Surplus. As a result, the issued, subscribed and paid up capital of the company has increased from Rs. 639.73 million to Rs. 959.59 million.

Particulars	As At March 31,				
	2009	2008	2007	2006	2005
Earning per Share (Basic) (Rs.)	1.01	1.71	1.25	0.25	0.36

ANNEXURE IX-A

STATEMENT OF CAPITALISATION STATEMENT AS RESTATED,

(Amount in Rs. Million)

Particular	**Pre-Issue as at March 31, 2009**	**Post Issue ***
Short Term Debt	336.00	
Long Term Debt	861.57	
Total Debt	**1,197.57**	
Equity Share Capital	639.73	
Reserves	1,251.13	
Total Shareholders' Fund	**1,890.86**	
Long Term Debt to Total Shareholders' Fund	**0.46:1**	

*Will be calculated after finalisation of issue Price

Note: 31.99 Million Equity Shares of Rs. 10 each have been allotted as fully paid up Bonus shares in the ratio of 1 shares for every 2 shares held on 25th September, 2009 by way of capitalization of reserves & Surplus. As a result, the issued, subscribed and paid up capital of the company has increased from Rs. 639.73 million to Rs. 959.59 million.

ANNEXURE X-A

STATEMENT OF CHANGES IN SHARE CAPITAL AS RESTATED,

Particulars	As at March 31, 2009	2008	2007	2006	2005
Share Capital					
Authorised Share Capital					
No. of Equity Share of Rs. 10 each (Million Nos)	75.00	75.00	75.00	0.05	0.05
Amount (Rs. Million)	**750.00**	**750.00**	**750.00**	**0.50**	**0.50**
Issued, Subscribed & Paid Up					
No. of Equity Share of Rs. 10 each (Million Nos)	63.97	63.97	9.05	0.05	0.05
Amount (Rs. Million)	**639.73**	**639.73**	**90.50**	**0.50**	**0.50**

Note:

The above includes 9 Million Equity Shares of Rs.10 each which were issued in the financial year 2006-07 and 52.44 Million Equity Shares of Rs.10 each which were issued in the financial year 2007-08 as fully paid up Bonus Shares by capitalisation of Reserves & Surplus.

ANNEXURE XI-A

STATEMENT OF OTHER INCOME WHERE SUCH INCOME EXCEEDS 20 PERCENT OF NET PROFIT BEFORE TAX AS RESTATED

(Amount in Rs. Million)

Particulars	For the Year Ended March 31, 2009	2008	2007	2006	2005	Nature of Income	Related/ Non Related to Business
Profit on Sale of Trade investments (Long Term)	194.56	-	-	-	-	Non Recurring	Non Related
Total	**194.56**	**-**	**-**	**-**	**-**		

(Amount in Rs. Million)

Particulars	For the Year Ended March 31, 2009	2008	2007	2006	2005
Restated Net Profit Before Tax	97.75	161.15	117.82	25.78	36.77
Restated Other Income	197.22	20.85	0.33	0.35	4.15
% of other Income	202%	13%	0%	1%	11%

ANNEXURE XII -A

STATEMENT OF DIVIDEND DECLARED AS RESTATED,

Particulars		For the Year Ended March 31,				
		2009	**2008**	**2007**	**2006**	**2005**
Equity Shares	- Face Value (Rs.)	-	-	10.00	-	-
	- Final Dividend (%)	-	-	10.00	-	-
	- Final Dividend (Rs. Million)	-	-	9.05	-	-
	- Dividend Tax on Final Dividend (Rs. Million)	-	-	1.28	-	-

ANNEXURE XIII-A

STATEMENT OF TAX SHELTERS AS RESTATED,

(Amount in Rs. Million)

Particulars	For the year ended March 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Profit before tax	97.75	161.42	120.30	66.90	1.84
Profit before tax as restated	106.24	161.15	117.80	26.13	36.81
Tax Rate	**33.99%**	**33.99%**	**33.66%**	**33.66%**	**36.59%**
Tax as per Annual Rate on Profits (A)	**36.11**	**54.78**	**39.65**	**8.80**	**13.47**
Adjustments:					
Permanent Differences:					
Capital gain/(losses) on sale of Mutual Funds	-	(0.05)	-	-	-
Deduction under section 80 of the Income Tax Act, 1961	-	-	-	59.20	-
Income from Investments in Partnership firms exempt under section 10 (2A) of Income Tax Act, 1961	188.34	416.88	128.29	0.00	-
Preliminary Expenses written off	-	-	-	(0.00)	-
Dividend Income exempt under section 10(34) of the Income Tax Act, 1961	0.17	1.36	0.00	0.00	-
Profit chargeable to tax under section 41 of the Income Tax Act, 1961	-	(1.22)	-	(0.02)	-
Disallowance of ROC expenses	-	-	(5.03)	-	-
Disallowance under section 14A of the Income Tax Act, 1961	(46.12)	(43.38)	-	-	-
Disallowance under section 40A of the Income Tax Act, 1961	-	-	(5.40)	-	-
Charity and Donations	(0.01)	(0.25)	(0.50)	-	(0.05)

Difference due book profit and taxable income under section 115JB of the Income Tax Act,1961	-	-	-	(9.01)	-
Others	-	(0.10)	-	-	-
Total Permanent Difference (B)	**142.38**	**373.25**	**117.36**	**50.17**	**(0.05)**
Timing Difference:					
Difference in depreciation as per Income Tax and as per book of accounts	(1.31)	(0.03)	0.02	0.00	0.01
Disallowance under section 43B of the Income Tax Act, 1961	-	(1.42)	-	-	-
Provision for retirement benefits	-	(1.67)	(0.29)	-	-
Difference due to restatement adjustments	8.49	(0.27)	(2.50)	(40.76)	34.96
Difference on account of carry forward losses	(43.33)	(208.71)	-	-	0.48
Total Timing Difference (C)	**(36.15)**	**(212.10)**	**(2.78)**	**(40.76)**	**35.46**
Net Adjustments (B+C) = D	**106.24**	**161.15**	**114.58**	**9.41**	**35.41**
Tax Savings thereon	**36.11**	**54.78**	**38.57**	**3.17**	**12.96**
Tax on profits for the year (A - D)	**-**	**-**	**1.08**	**5.63**	**0.51**

NOTE: The above statement has been prepared based on the information from income tax computations, filed with tax returns for the years ended March 31, 2008, 2007, 2006, 2005 and the provisional computation for the year ended March 31, 2009

ANNEXURE XIV - A

STATEMENT OF SECURED LOANS AS RESTATED

(Rs. In Millions)

	Particulars	**As at March 31,** 2009	2008	2007	2006	2005
A)	**Long Term Loans**					
1	**Standard Chartered Bank**	917.95	960.00	-	-	-
	Facility Limit: INR 1,000 mn					
	Rate of Interest: Variable					
	Repayment: INR 350 mn, within 6 months after 18 months from the date of drawdown; INR 420 mn, within 15 months after 18 months from the date of drawdown; INR 200 mn within 20 months after 5 months from the date of drawdown					

	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.					
2	**ICICI Bank**	265.36	331.40	-	-	-
	Facility Limit: INR 386 mn					
	Rate of Interest: 11% (Variable)					
	Repayment: 21 monthly installments starting after 1 year from the date of disbursement.					
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.					
3	**Laxmi Vilas Bank**	-	68.81	169.81	-	-
	Facility Limit: INR 200 mn					
	Rate of Interest: 11% (Variable)					
	Repayment: 18 months from the date of disbursement					
	Security: Secured by equitable mortgage of superstructure in the name of Associate/Allied Companies and further secured by personal guarantee of Chairman & Managing Director and an associate of the Company.					
4	**Standard Chartered Bank**	-	-	200.00	200.00	-
	Facility Limit: INR 800 mn					
	Rate of Interest: Variable					
	Repayment: Maximum up to 42 months including a moratorium of 24 months from the date of disbursement					
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director, Director and an associates of the Company.					

B)	**Short Term Loans**					
1	**State Bank of Travancore**	11.24	11.85	18.25	-	-
	Rate of Interest: Variable					
	Security: Secured against Fixed Deposit with bank					
2	**ICICI Bank**	3.02	5.31	0.77	-	-
	Security: Secured by way of first charge on vehicles financed by bank					
	Repayment: Over a period of 36 months from the date of disbursement					
3	**Punjab National Bank**	-	199.96	-	-	-
	Facility Limit: 350,000,000/-					
	Rate of Interest: 13.50% (fixed)					
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of superstructure, material at site, work-in-progress and receivables of the project and further secured by personal guarantee of Chairman & Managing Director of the Company.					
	Repayment: Principal to be repaid after 6 months from the date of disbursement.					
4	**Kotak Mahindra Prime Ltd.**	-	-	500.00	-	-
	Facility Amount: INR 500,000,000/-					
	Rate of Interest: 15% (Variable)					
	Repayment:					
	(a) Minimum of Rs 25 Cr. at the end of 90th day from the date of first disbursement.					
	(b) Balance amount to fully pay by 270th day from the date of disbursement					
	Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and further secured by personal guarantee of Chairman & Managing Director, Director and an associate of the Company.					
5	**ICICI Bank**	-	-	80.00	-	-
	Facility Limit: INR 100,000,000/-					
	Rate of Interest: 11% (Variable)					
	Repayment Schedule: 5 monthly installments from the end of 9 months of disbursement					

Security: Secured by equitable mortgage of project land purchased in the name of Associate/Allied Companies and hypothecation of receivables of the project.					
Total	**1,197.57**	**1,577.33**	**968.83**	**200.00**	**-**

ANNEXURE XV-A

STATEMENT OF UNSECURED LOANS, AS RESTATED

(Amount in Rs. Million)

Particulars	**As at March 31, 2009**	**2008**	**2007**	**2006**	**2005**
Loan From Promoters	-	-	-	31.97	-
Loan from Subsidiaries	-	-	7.00	-	-
Loan from Associates	-	0.06	-	24.57	-
Loan From Others	-	-	2.00	9.20	-
Total	**-**	**0.06**	**9.00**	**65.74**	**-**

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP, IFRS AND U.S. GAAP

The Company's financial statements are prepared in conformity with Indian GAAP on an annual basis. No attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus ("Prospectus") to any other principles or to base it on any other standards.

The areas in which differences between Indian GAAP vis-à-vis IFRS and U.S. GAAP could be significant to the Company's consolidated balance sheet and consolidated statement of profit and loss are summarised below. Potential investors should not construe the summary to be exhaustive or complete and should consult their own professional advisers for their fuller understanding and impact on the financial statements set out in this Prospectus.

Further, the Company has not prepared financial statements in accordance with IFRS or U.S. GAAP. Accordingly, there can be no assurance that the summary is complete, or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, the Company cannot presently estimate the net effect of applying either IFRS or U.S. GAAP on the results of the Company's operations or financial position, which may result in material adjustments when compared to Indian GAAP.

The summary includes various IFRS, U.S. GAAP and Indian GAAP pronouncements issued for which the mandatory application dates are later than the date of this Prospectus. Indian GAAP comprises accounting standards issued by the Institute of Chartered Accountants of India and certain provisions of Listing Agreements with the stock exchanges of India. In certain cases, the Indian GAAP description also refers to Guidance Notes issued by the Institute of Chartered Accountants of India that are recommendatory but not mandatory in nature and also certain accounting treatments specified by a Court Order in a Scheme of Amalgamation/Arrangement.

Subject	IFRS	U.S. GAAP	Indian GAAP
Historical cost	Uses historical cost, but intangible assets, property plant and equipment (PPE) and investment property may be revalued. Derivatives, biological assets and certain securities must be revalued.	No revaluations except some securities and derivatives at fair value.	Uses historical cost, but property, plant and equipment may be revalued. No comprehensive guidance on derivatives and biological assets.
First-time adoption of accounting frameworks	Full retrospective application of all IFRSs effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.	First-time adoption of U.S. GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of those standards.	Similar to U.S. GAAP.
Basis of presentation	Financial statements must comply with IFRS.	Financial statements must comply with U.S. GAAP and if a public company, the U.S. Securities and Exchange Commission's (the "SEC") rules, regulations and financial interpretations. Generally, non-consolidated financial statements are not presented.	Financial statements must comply with Indian GAAP.
Contents of financial statements — General	Comparative two years' balance sheets, income statements, cash flow statements, changes in shareholders' equity and	Similar to IFRS, except three years required for public companies for all statements except balance sheet where two years are provided.	Balance sheet, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year.

Subject	IFRS	U.S. GAAP	Indian GAAP
	accounting policies and notes.		Public company: Consolidated financial statements along with the standalone financial statements. For a public offering, selected financial data for the five most recent years are required, adjusted to the current accounting norms and pronouncements.
Balance sheet	Does not prescribe a particular format; entities should present a classified balance sheet. Assets and liabilities should be disclosed in an order which reflects their relative liquidity with current and non-current classification. Certain items must be presented on the face of the balance sheet.	Does not prescribe a particular format; entities should present a classified balance sheet. Items on the face of the balance sheet are generally presented in decreasing order of liquidity with current and non-current classification. Public companies must follow SEC guidelines regarding minimum disclosure requirements. Restricted accounts are disclosed separately on the face of the balance sheet.	The Companies Act prescribes the balance sheet format; short-term/long-term distinction is only required for certain balance sheet items. No separate disclosure on the face of the balance sheet is required for restricted accounts
Income statement	Does not prescribe a standard format, although expenditure must be presented in one of two formats (function or nature). Certain items must be presented on the face of the income statement.	Present as either a single-step or multiple-step format. Expenditures must be presented by function.	No prescribed format for the profit and loss account but there are disclosure norms for certain income and expenditure items under the Companies Act and the accounting standards. Other industry regulations prescribe industry specific format.
Cash flow statements — format and method	Standard headings, but limited flexibility of contents. Use direct or indirect method.	Similar headings to IFRS, but more specific guidance for items included in each category. Use direct or indirect method.	Similar to IFRS, except that use of indirect method is required for listed companies.
Cash flow statements — definition of cash and cash equivalents	Cash includes overdrafts and cash equivalents with original short-term maturities (less than three months).	Cash excludes overdrafts but includes cash equivalents with original short-term maturities of three months or less. Restricted or encumbered cash is not included in cash and	Similar to U.S. GAAP, except that restricted or encumbered cash included in cash and cash equivalents is required to be disclosed separately.

Subject	IFRS	U.S. GAAP	Indian GAAP
		cash equivalents.	
	Cash and cash equivalents are disclosed on the face of the balance sheet.	Cash and cash equivalents are disclosed on the face of the balance sheet.	
Cash flows — classification of specific items	(i) Interest and dividend paid — Operating or financing activities.	(i) Interest paid, interest received and dividend received — Operating activities. (direct method). Under the indirect method will be show as the change in the asset/liability or a as supplemental cash disclosure.	(i) Interest and dividend paid — Financing activities.
	(ii) Interest and dividend received — Operating or investing activities.	(ii) Dividends paid — Financing activities.	(ii) Interest and dividend received — Investing activities.
	(iii) Taxes paid — Operating — unless specific identification with financing or investing.	(iii) Taxes paid — Operating activities. Supplementary disclosure required.	(iii) Taxes paid — Similar to IFRS.
Statement of changes in Shareholders' Equity	The statement must be presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.	Similar to IFRS. The information may be included in the notes.	No separate statement required. However, any adjustments to equity and reserve account are shown in the schedules/notes accompanying the financial statements.
Comprehensive income	The total of gains and losses recognised in the period comprises net income and the following gains and losses recognised directly in equity:	Comprehensive income is divided into net income and other comprehensive income.	
	fair value gains (losses) on land and buildings, available for sale investments and certain financial instruments;	An enterprise that has no items of other comprehensive income in any period presented is not required to report	

	foreign exchange translation differences; the cumulative effect of changes in accounting policy; and changes in fair values on certain financial instruments if designated as cash flow hedges, net of tax, and cash flow hedges reclassified to income and/or the relevant hedged asset/liability. Recognised gains and losses can be presented either in the notes or separately highlighted within the primary statement of changes in shareholders' equity.	comprehensive income. Items included in other comprehensive income shall be classified based on their nature. For example, under existing accounting standards, other comprehensive income shall be classified separately into: cumulative foreign currency translation adjustments; minimum pension liability adjustments; changes in the fair value of cash flow and net investment hedges; and unrealised gains and losses on certain investments in debt and equity securities.	No concept of comprehensive income. However, certain adjustments are allowed through reserves where prescribed by accounting standards, statute or is done in accordance with industry practices and court orders.
Correction of fundamental errors	Restatement of comparatives is mandatory.	Similar to IFRS.	Include effect in the current year income statement. The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.
Changes in accounting policy	Restate comparatives and prior-year opening retained earnings.	Generally include effect in the current year income statement through the recognition of a cumulative effect adjustment. Disclose pro forma comparatives. Retrospective adjustments for specific items. Recent amendment requires accounting similar to IFRS. The new amendment is applicable to accounting changes that are made in fiscal years beginning after 15 December 2005.	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provision) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.
Contents of financial statements	In general, IFRS has extensive	In general, U.S. GAAP has	Generally, disclosures are not

— Disclosures.............................	disclosure requirements. Specific items include, among others: the fair values of each class of financial assets and liabilities, customer or other concentrations of risk, income taxes and pensions. Other disclosures include amounts set aside for general risks, contingencies and commitments and the aggregate amount of secured liabilities and the nature and carrying amount of pledged assets.	extensive disclosure requirements. Areas where U.S. GAAP requires specific additional disclosures include, among others; concentrations of credit risk, segment reporting, significant customers and suppliers, use of estimates, income taxes, pensions, and comprehensive income.	extensive as compared to IFRS and U.S. GAAP. Disclosures are driven by the requirements of the Companies Act and the accounting standards.
Consolidation	The consolidated financial statements include all enterprises that are controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent owns one half or less of the voting power of an enterprise.	A company must first evaluate whether the potential subsidiary is a variable interest entity ("VIE") and whether the Company has a variable interest in an entity. A variable interest changes with a change in an entity's net asset value and is the means through which expected losses are absorbed and expected residual returns are received. If the entity is a VIE, the Company must evaluate the potential subsidiary under the FIN 46R Consolidation of Variable Interest Entities FIN 46R addresses consolidation of VIE's in which the Company has a primary obligation to absorb losses or receive residual returns, and the equity investment at hand is not sufficient to permit the entity to finance its activities without additional subordinated financial support, regardless of ownership interest. SFAS 94 states that all majority-owned subsidiaries (i.e., all companies in which a parent has a controlling financial interest through direct or indirect ownership of a majority voting interest) must be consolidated unless control does not rest with the majority owner.	Consolidation is required when there is a controlling interest, directly or indirectly through subsidiaries, by virtue of holding majority voting shares or control over board of directors

Accounting for joint ventures in the form of a joint controlled entity (including more than 50 per cent. owned entities)	Both the proportional consolidation and equity methods are permitted. An exception to the use of proportional consolidation method is where an interest in the jointly controlled entity is acquired and exclusively with a view to its subsequent disposal within 12 months of acquisition.	Predominantly use the equity method, while the practice of proportional consolidation (typically not allowed) is found in extractive oil and gas industry in limited circumstances.	In the consolidated financial statements, the venturer should consolidate the joint venture in case it is also a subsidiary or else to report its interest in the jointly controlled entity using the proportional consolidation method. The consolidation of such an entity does not prelude other venturer(s) treating such an entity as a joint venture.
Business Combinations	All business combinations are treated as acquisitions. Assets and liabilities acquired are measured at their fair values. Pooling of interest method is prohibited. Goodwill is capitalised but not amortised. It is tested for impairment at least annually at the cash-generating unit level. After re-assessment of respective fair values of net assets acquired, any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised immediately in the income statement.	Similar to IFRS, except specific rules for acquired in-process research and development (generally expensed) and contingent liabilities. Similar to IFRS; however, impairment measurement model is different. In respect of any excess of acquirer's interest in the net fair values of acquirer's identifiable assets, first reduce proportionately the fair values assigned to non-current assets (with certain exceptions) and any remaining excess thereafter is recognised in the income statement immediately as an extraordinary gain.	On consolidation, for an entity acquired and held as an investment, treated as acquisition. On amalgamation of an entity, either uniting of interests or acquisition. On a business acquisition (i.e., assets and liabilities only) treated as acquisition. On consolidation, the assets and liabilities are incorporated at their existing carrying amounts. On amalgamation, they may be incorporated at their existing carrying amounts or, alternatively, the consideration is allocated to individual identifiable assets and liabilities on the basis of their fair values. On a business acquisition, they may be incorporated at their fair values or value of surrendered assets. Goodwill arising under purchase method of accounting is capitalised and amortised over useful life not exceeding five years, unless a longer period can be justified. In case of goodwill arising on consolidation, no specific guidance for amortisation. No specific guidance for impairment of goodwill arising on acquisition or consolidation.

			Any excess of acquirer's interest in the net fair values of acquirer's identifiable assets is recognised as capital reserve, which is neither amortised nor available for distribution to shareholders. However, in case of an amalgamation accounted under the purchase method, the fair value of intangible assets with no active market is reduced to the extent of capital reserve, if any, arising on the amalgamation.
Revenue recognition — General Criteria	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.	Revenue is generally realised or realisable and earned when all of the four revenue recognition criteria are met: persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the seller's price to the buyer is fixed or determinable; and collectibility is reasonably assured. U.S. GAAP generally requires title transfer prior to revenue recognition and provides extensive detailed guidance for specific transactions.	Similar to IFRS. However, under IFRS and U.S. GAAP, the revenue from auction sale would be segregated between recovery of outstanding ground rent and costs; and former classified as ground rent and excess recovery after adjusting recoverable costs as other income.
Real Estate Sales	Guided by recognition principles of IAS 18. Normally recognized when legal title passes to the buyer. However, if the equitable interest in a property vests in the buyer before legal title passes and therefore the risks and rewards of ownership have been transferred at that stage it may be appropriate to recognise revenue. However, if the seller is obliged to perform any significant acts after the transfer of the equitable and/or legal title, revenue is recognized as the acts are performed. An example is a building or other facility on which construction has not been completed. The nature and extent of the seller's continuing involvement determines how the transaction is accounted for. It may be accounted for as a sale, or as a financing,	Governed by FAS 66 and interpreted by some rules of the Emerging Issues Task Force. FAS 66 applies to all sales of real estate, including real estate with property improvements or integral equipment (it does not apply to sale of only property improvements or integral equipment without a concurrent or contemplated sale of land). In case of real land sales, FAS 66 provides recognition principles based on full accrual method, percentage of completion method, instalment method, or deposit method based on fulfilment of certain criteria. In case of a retail estate sale is other than retail land sales, profit shall be recognized in full (full accrual method) when real estate is sold, provided (a) the profit is determinable, that	The ICAI recently issued a Guidance Note on recognition of revenue for Real Estate Developers. This Guidance note recommends principles for recognition revenue arising from real estate sales and provides guidance on the application of principles for revenue recognition as enumerated in AS 9, i.e. transfer of significant risks and rewards of ownership, consideration is fixed or determinable and it is not unreasonable to expect ultimate collection. Per this note, once the seller has transferred all the significant risks and rewards of ownership to the buyer and the other conditions for recognition of revenue specified in AS 9 are satisfied, any further acts on the real estate performed by

	leasing or some other profit sharing arrangement. If it is accounted for as a sale, the continuing involvement of the seller may delay the recognition of revenue. Revenue is the fair value of the consideration received or receivable. This may require estimating the present value of the sale consideration.	is, the collectability of the sales price is reasonably assured or the amount that will not be collectible can be estimated and (b) the earnings process is virtually complete, that is, the seller is not obliged to perform significant activities after the sale to earn the profit; provided certain other criteria is satisfied. If any of the criteria is not satisfied, other methods such as the deposit method, instalment method, cost recovery method, etc. may be used. Discounting is not permitted.	the seller are, in substance, performed on behalf of the buyer in the manner similar to a contractor. Accordingly, in such cases revenue is recognized recognised by applying the percentage of completion method in the manner explained in AS 7.
Interest expense	Recognised on an accrual basis. Effective yield method used to amortise non-cash finance charges.	Similar to IFRS.	Similar to IFRS, however, practice varies with respect to recognition of discounts, premiums and costs of borrowings.
Employee benefits — Defined benefit plans	Similar to U.S. GAAP conceptually, although several differences in details.	For gratuity plans, must use the projected unit credit method to determine benefit obligation. Under FASB 158, recognition of funded status is to take effect for fiscal years ending after December 15, 2006, for publicly traded entities. These entities are required to recognize funded status of defined pension plans in the statement of financial position, which was previously being disclosed in the footnotes of the registrants. An amount equal to the "net periodic pension cost" is to be charged to the statement of financial performance regardless of whether contributions are made during the period. The net periodic pension cost is an actuarially determined amount equal to: the present value of future benefits which have accrued during the period; and an interest cost component related to the increase in the projected benefit obligation due to the passage of time; less	Liability for a gratuity plan and compensated absences, which are defined benefit obligations, are accrued based on an actuarial valuation. Actuarial gains or losses are recognized immediately in the statement of income.

		estimated earnings on invested assets segregated to provide future benefits; and an amortisation of previously unrecognised prior service costs, transition assets/obligations and experience gains/losses. If contributions differ from the net pension cost, an asset representing prepaid pension costs or a liability for unfunded accrued pension costs arises and is recorded in the statement of financial position.	
	Recognition of minimum pension liability is not required.	Recognition of minimum pension liability is required when the accumulated benefit obligation exceeds the fair value of the plan assets and the amount of the accrued liability.	Recognition of minimum pension liability is not required.
Employee benefits — Compensated absences	Discounting not prohibited when computing liability for compensated absences.	Similar to IFRS.	Determine liability for compensated absences based on an actuarial valuation.
Employee share compensation	Recognise expense for services acquired. The corresponding amount will be recorded either as a liability or as an increase in equity, depending on whether the transaction is determined to be cash or equity-settled. The amount to be recorded is measured at the fair value of the shares or share options granted.	FAS 123R which is effective for annual periods beginning 15 June 2005 has now dispensed with the intrinsic value method and going forward, all entities would have to use the fair value model. FAS 123 R is applicable to both public and non-public entities.	It is mandatory only for listed entities. Employee stock options granted to the employees under stock option schemes are evaluated as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India. Accordingly, the excess of the fair value of the stock option as on the date of grant of options is charged to the Profit and Loss Account on straight-line-method over the vesting period of the options. The fair value of the options is measured on the basis of an independent valuation performed or the market price in respect of stock options granted.
Capital issue expenses	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net	May be set off against the realised proceeds of share issue	May be set off against the securities premium account

	of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.		
Property, Plant & Equipment	Use historical cost or revalued amounts. Regular valuations of entire classes of assets are required, when revaluation option is chosen.	PP&E is recorded at historical acquisition cost. Revaluations are not permitted.	Use historical cost or revalued amounts. On revaluation, an entire class of assets is revalued, or selection of assets is made on systematic basis. No current requirement on frequency of valuation.
Capitalisation of borrowing costs	Permitted for qualifying assets, but not required.	Required. FAS 34 requires interest capitalisation only to the extent that it is an acquisition cost. Accordingly, real estate projects under development are qualifying assets; however, real estate held for future development or sale is not. FAS 34, par. 11 states that interest should be capitalised on land expenditures only when development activities are in progress. Assets qualifying for interest capitalisation include real estate developments intended for sale or lease that are constructed as discrete projects. Land that is not undergoing activities necessary to prepare it for its intended use does not qualify for capitalisation. When development activities are undertaken, however, expenditures to acquire land qualify for interest capitalisation while the development activities are in process. If the resulting asset is a structure, the interest capitalised on land expenditures becomes part of the cost of the structure; if the resulting asset is developed land, the capitalised interest is part of the cost of the land. SFAS No. 34 provides guidance on determining the appropriate amount of interest to be capitalised.	Required. Accounting Standard ("AS") 16, Borrowing Costs, defines the term 'qualifying asset' as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". The following assets ordinarily take twelve months or more to get ready for intended use or sale unless the contrary can be proved by the enterprise: (i) assets that are constructed or otherwise produced for an enterprise's own use, e.g., assets constructed under major capital expansions; and (ii) assets intended for sale or lease that are constructed or otherwise produced as discrete projects (for example, ships or real estate developments).
Capitalisation of preoperative, incidental expenses and trial run expenses, net of revenue	Not permitted, except certain trial run expenses may be capitalised if they are a necessary part of	Not permitted.	Required.

earned during trial run period	bringing the asset to its working condition.		
Depreciation and Amortisation	Allocated on a systematic basis to each accounting period over the estimated useful life of the asset. Estimated useful life should be reviewed every year. Intangible assets with indefinite life are not amortised but are tested for impairment annually.	Similar to IFRS.	Depreciation is provided at the rates specified in Schedule XIV of the Companies Act. Depreciation can also be provided on estimated useful life of the assets, based on some technical evaluation of assets. however, such rates cannot be less than the rates as prescribed in schedule XIV above. There is no concept of indefinite life intangible assets.
Impairment of long-lived assets	If impairment is indicated, write down assets to recoverable amount which is the higher of net selling price and value in use based on discounted cash flows. If no loss arises, reconsider useful lives of those assets. Impairment loss is recorded in the income statement. Reversal of loss is permitted in certain cases.	Under FASB 144, 'Impairment of Long-Lived Assets." For assets to be held and used, impairment review based on undiscounted cash flows. If the undiscounted cash flows are less than the carrying amount, measure the impairment loss using market value or discounted cash flows. Impairment loss is recorded in the income statement as a separate line item - Reversals of impairment loses are prohibited.	Similar to IFRS. Accounting Standard 28 - "Impairment of Assets", is mandatory with effect from 1 April 2004.
Leases – classification	A lease is a finance lease if substantially all risks and rewards of ownership are transferred. Substance rather than form is important.	Similar to IFRS, but with more extensive form-driven requirements. Specific rules must be met to record a finance or capital lease a prescribed under FASB 13	Similar to IFRS.
Leases - lessor accounting	Record amounts due under finance leases as a receivable. Allocate gross earnings to give constant rate of return based on (pre-tax) net investment method.	Similar to IFRS, but with specific rules for leveraged leases as prescribed under FAS 13.	Similar to IFRS.
Leases - lessee accounting	Record finance leases as asset and obligation for future rentals. Depreciate over useful life of asset. Apportion rental payments to give constant interest rate on outstanding obligation. Charge operating lease rentals on straight-line basis.	Similar to IFRS.	Similar to IFRS.
Leases — lessee accounting: sale and leaseback transactions	For a finance lease, defer and amortise profit arising on sale and finance leaseback. If an operating lease arises, profit recognition depends on sale proceeds compared to fair value of the asset. Consider substance/linkage of the	Timing of profit and loss recognition depends on whether seller relinquishes substantially all or a minor part of the use of the asset. Immediately recognise losses. Consider specific strict criteria	Similar to IFRS.

	transactions.	if a property transaction.	
Investment property	Measure at depreciated cost or fair value, and recognise changes in fair value in the income statement.	Treat the same as for other properties (depreciated cost).	Consider as long-term investment and carry at cost less impairment.
Inventories	Carry at lower of cost and net realisable value. Use FIFO or weighted average method to determine cost. LIFO prohibited. Reversal is required for subsequent increase in value of previous write-downs.	Similar to IFRS; however, use of LIFO permitted. Reversal of write-down prohibited.	Similar to IFRS. Reversal of write-down prohibited.
Real Estate Properties and Deferred Costs	In substance similar to U.S. GAAP however no detailed guidance available in IFRS as given under U.S. GAAP.	A variety of costs are incurred in the acquisition, development, leasing, sale, or operation of a real estate development project. SFAS No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects (Accounting Standards Section Re2), provides guidance on when costs should be capitalised, deferred, or expensed. After a determination is made to capitalise a cost, it is allocated to the specific parcels or components of a project that are benefited. Guidance for situations where specific identification is not practicable is provided by SFAS No. 67. Property taxes and insurance costs incurred on real estate projects should be capitalised only during the period in which activities necessary to get the property ready for its intended use are in progress. Such costs incurred after the property is substantially complete and held available for occupancy should be charged to expense as incurred. Paragraph 22 of SFAS No. 67 states that "a real estate project shall be considered substantially completed and held available for occupancy upon completion of tenant improvements by the developer, but not later than one year from cessation of major construction activity." Incremental revenue from incidental operations in excess of related incremental costs should be accounted for as a reduction of capitalised project costs. Incremental costs in excess of incremental revenue from incidental operations	In substance similar to U.S. GAAP however no detailed guidance available in Indian GAAP as given under U.S. GAAP.

should be charged to expense as incurred, because the incidental operations did not increase the costs of developing the property for its intended use.

(a) Preacquisition Costs	Payments to obtain an option to acquire real property shall be capitalised as incurred. All other costs related to a property that are incurred before the enterprise acquires the property, or before the enterprise obtains an option to acquire it, shall be capitalised if all of the following conditions are met and otherwise shall be charged to expense as incurred: (a) the costs are directly identifiable with the specific property; (b) the costs would be capitalised if the property were already acquired; and (c) acquisition of the property or of an option to acquire the property is probable. This condition requires that the prospective purchaser is actively seeking to acquire the property and has the ability to finance or obtain financing for the acquisition and that there is no indication that the property is not available for sale. Capitalised pre-acquisition costs (a) shall be included as project costs upon the acquisition of the property or (b) to the extent not recoverable by the sale of the options, plans, etc., shall be charged to expense when it is probable that the property will not be acquired.
(b) Taxes and Insurance	Costs incurred on real estate for property taxes and insurance shall be capitalised as property cost only during periods in which activities necessary to get the property ready for its intended use are in progress. Costs incurred for such items after the property is substantially complete and ready for its intended use shall be charged to expense as incurred.
(c) Project Costs	Project costs clearly associated with the acquisition, development and construction of a real estate project shall be capitalised as a cost of that project. Indirect project costs

that relate to several projects shall be capitalised and allocated to the projects to which the costs relate. Indirect costs that do not clearly relate to projects under development or construction, including general and administrative expenses,
shall be charged to expense as incurred.

(d) Amenities	Accounting for costs of amenities shall be based on management's plans for the amenities in accordance with the following: (a) if an amenity is to be sold or transferred in connection with the sale of individual units, costs in excess of anticipated proceeds shall be allocated as common costs because the amenity is clearly associated with the development and sale of the project. The common costs include expected future operating costs to be borne by the developer until they are assumed by buyers of units in a project; (b) if an amenity is to be sold separately or retained by the developer, capitalisable costs of the amenity in excess of its estimated fair value as of the expected date of its substantial physical completion shall be allocated as common costs. For the purpose of determining the amount to be capitalised as common costs, the amount of cost previously allocated to the amenity shall not be revised after the amenity is substantially completed and available for use. A later sale of the amenity at more or less than its estimated fair value as of the date of substantial physical completion, less any accumulated depreciation, results in a gain or loss that shall be included in net income in the period in which the sale occurs. Costs of amenities shall be allocated among land parcels benefited and for which development is probable.
(e) Incidental Operations	Incremental revenue from incidental operations in excess of incremental costs of incidental operations shall be accounted for as a reduction of capitalised project costs. Incremental costs in excess of

incremental revenue shall be charged to expense as incurred, because the incidental operations did not achieve the objective of reducing the costs of developing the property for its intended use.

(f) Allocation of Capitalised Costs to the Components of a Real Estate Project

The capitalised costs of real estate projects shall be assigned to individual components of the project based on specific identification. If specific identification is not practicable, capitalised costs shall be allocated as follows: (a) land cost and all other common costs (prior to construction) shall be allocated to each land parcel benefited. Allocation shall be based on the relative fair value before construction; and (b) construction costs shall be allocated to individual units in the phase on the basis of relative sales value of each unit. If allocation based on relative value also is impracticable, capitalised costs shall be allocated based on area methods (for example, square footage) or other value methods as appropriate under the circumstances.

(g) Costs Incurred to Sell Real Estate Projects

Costs incurred to sell real estate projects shall be capitalised if they (a) are reasonably expected to be recovered from the sale of the project or from incidental operations and (b) are incurred for (1) tangible assets that are used directly throughout the selling period to aid in the sale of the project or (2) services that have been performed to obtain regulatory approval of sales. Examples of costs incurred to sell real estate projects that ordinarily meet the criteria for capitalisation are costs of model units and their furnishings, sales facilities, legal fees for preparation of prospectuses, and semi permanent signs. Other costs incurred to sell real estate projects shall be capitalised as prepaid costs if they are directly associated with and their recovery is reasonably expected from sales that are being accounted for under a

		method of accounting other than full accrual. Costs that do not meet the criteria for capitalisation shall be expensedas incurred. Capitalised selling costs shall be charged to expense in the period in which the related revenue is recognized as earned. When a sales contract is cancelled (with or without refund) or the related receivable is written off as uncollectible, the related unrecoverable apitalised selling costs shall be charged to expense or an allowance previously established for that purpose.	
Investments	Investments in are classified as held-to maturity, available-for-sale or held trading at acquisition.	Similar to IFRS but no option to classify all financial assets "at fair value through profit or loss".	Long-term investments are carried at cost (with provision for other than temporary diminution in value).
	Investments classified as held-to-maturity are recorded at amortised cost less impairment, if any. Realised gains and losses are reported in earnings.	Investments in listed equity securities can only be classified as available for sale or as trading.	Current investments carried at lower of cost or fair value.
	Investments classified as available-for-sale are reported at fair value. Unrealised gains and losses on the change in fair value are reported in equity, less impairment, if any.	Investments in unlisted equity securities are recorded at cost less impairment, if any.	
	Investments classified as trading are reported at fair value with unrealised gains and losses included in earnings.		
	There is an option in IFRS to classify any financial asset "at fair value through profit or loss". Changes in fair values in respect of such securities are recognised in the income statement. This is an irrevocable option to classify a financial asset at fair value through profit or loss.		
	Generally, in a non-consolidated financial statements, investment in subsidiary is accounted under the equity method.	Similar to IFRS.	In a non-consolidated financial statements, investment in subsidiary is carried at cost less impairment, if any.
Foreign currency transactions	Transactions in foreign currency are accounted for at the exchange	Similar to IFRS.	Similar to IFRS, except for the following:

	rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rates.		exchange difference arising on repayment/restatement of liabilities incurred prior to 1 April 2004 for the purposes of acquiring fixed assets, is adjusted in the carrying amount of the respective fixed assets; and exchange difference arising on repayment/restatement of liabilities incurred on or after 1 April 2004 but before 1 April 2011 for the purposes of acquiring fixed assets is adjusted in the carrying amount of the respective fixed assets. The amounts so adjusted are depreciated over the remaining useful life of the respective fixed assets.
Provisions	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated.	Similar to IFRS Rules for specific situations (including employee termination costs, environmental liabilities and loss contingencies).	Similar to IFRS.
	Discounting required if effect is material.	Discounting required only when timing of cash flows is fixed.	Discounting is not permitted.
Contingent Assets	A possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. The item is recognised as an asset when the realisation of the associated benefit such as an insurance recovery, is virtually certain.	Contingent assets are recognised, when realised, generally upon receipt of consideration. However, there are very strict rules under FASB 5 that govern contingent gains. Usually such gains are disallowed.	Similar to IFRS, except that certain disclosures as specified in IFRS are not required.
Contingent liability	A possible obligation whose outcome will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control. It can also be a present obligation that is not recognised because it is not probable that there will be an outflow of economic benefits, or the amount of the outflow cannot be reliably measured. Contingent liabilities are disclosed unless the probability of outflows is remote.	An accrual for a loss contingency is recognised if it is probable (defined as likely) that there is a present obligation resulting from a past event and an outflow of economic resources is reasonably estimable. If a loss is probable but the amount is not estimable, the low end of a range of estimates is recorded. Contingent liabilities are disclosed unless the probability of outflows is remote.	Similar to IFRS. Disclosure may be limited compared to US GAAP and IFRS.

Debt issue costs	Permits, but does not require, direct incremental costs of issuing debt to be deferred as an asset and amortised as an adjustment to yield.	Debt issue costs should be deferred as an asset and amortised as an adjustment to yield. Amortisation should be done based on the interest method, but other methods may be used if the results are not materially different from the interest method.	Debt issue costs are expensed as incurred.
Dividends	Dividends are recorded as liabilities when declared.	Similar to IFRS.	Dividends are recorded as provisions when proposed.
Deferred income taxes	Use full provision method (some exceptions), driven by balance sheet temporary differences. Recognise deferred tax assets if recovery is probable. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.	Deferred income tax assets and liabilities are determined using the balance sheet method. The net deferred tax asset or liability is based on temporary differences between the book and tax bases of assets and liabilities, and recognises enacted changes in tax rates and laws. U.S. GAAP permits deferred tax assets to be recognised for any operating loss carry forwards to the extent that it is more likely than not that they will be realised. A valuation allowance should be recorded against deferred tax assets when it is determined that realisation of the deferred tax asset is less than more likely than not. The FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes." FIN 48 which establishes the criteria than an individual tax position would have to meet for recognition in the financial statements. FIN 48 applies to all tax positions that are accounted for under FAS 109. The term tax position includes, but is not limited to the following: • a decision not to file a tax return in a jurisdiction • the allocation of income between jurisdiction • the characterization of income in the tax return • decision to exclude taxable income in the tax return • decision to classify a	Deferred tax assets and liabilities should be recognised for all timing differences subject to consideration of prudence in respect of deferred tax assets. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is certain that such previously unrecognised deferred tax assets will be realised. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

		transaction, entity, or other position as tax-exempt in the tax return. A separate measurement step is to be taken to determine the amount of tax benefit to be recorded for financial statement purposes, but only if the more-likely-than-not recognition threshold is met, and the recorded tax benefit will equal the largest amount of tax benefit that is greater than 50% likely being realized upon ultimate settlement with a tax authority.	
Measurement of derivative instruments and hedging activities	Measure derivatives and hedge instruments at fair value. Recognise the changes in fair value in the income statement, except for effective cash flow hedges, where the changes are deferred in equity until effect of the underlying transaction is recognised in the income statement. Ineffective portions of hedges are recognised in the income statement. IFRS requires extensive documentation and effectiveness testing to obtain hedge accounting. Gains/losses from hedge instruments that are used to hedge forecast transaction may be included in cost of non-financial asset/liability (basis adjustment).	Similar to IFRS, except no 'basis adjustment' on cash flow hedges of forecast transactions.	Derivatives are initially measured at cost. However, there is no comprehensive guidance for derivative accounting.
Fringe Benefits Tax	Fringe Benefits Tax is included as part of the related expense (fringe benefit) which gives rise to incurrence of the tax.	Similar to IFRS.	Fringe Benefits Tax has been abolished from 1st April, 2009
Derecognition of financial assets	Derecognise financial assets based on risks and rewards first; control is secondary test.	Derecognise based on control. Requires legal isolation of assets even in bankruptcy.	No specific guidance. In general, derecognise financial assets based on risks and rewards of ownership. A guidance note issued by ICAI on securitisation requires derecognition based on control.
Financial liabilities – classification	Classify capital instruments depending on substance of the issuer's obligations. Mandatorily redeemable preference shares classified as liabilities.	Where an instrument is not a share, classify as liability when obligation to transfer economic benefit exists. Similar to IFRS.	No specific guidance. In practice, classification is based on legal form rather than substance. All preference shares are shown separately as share

			capital under shareholders' funds.
Derecognition of financial liabilities	Derecognise liabilities when extinguished. The difference between the carrying amount and the amount paid is recognised in the income statement. IFRS uses 10% threshold for differentiating modification in the terms from extinguishment of liabilities	Similar to IFRS.	No specific guidance but practice is similar to IFRS. No 10% criteria is specified.
Capital instruments - purchase of own shares	Show as deduction from equity.	Similar to IFRS.	Purchase of own shares are permitted under limited circumstances subject to the legal requirements stipulated in the Companies Act. On purchase, such shares are required to be cancelled i.e. cannot be kept as treasury stock.
Functional currency definition	Currency of primary economic environment in which entity operates.	Similar to IFRS.	Does not define functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements.
Financial currency – determination	If indicators are mixed and functional currency is not obvious, use judgement to determine the functional currency that most faithfully represents the economic results of the entity's operations by focusing on the currency of the economy that determines the pricing of transactions (not the currency in which transactions are denominated).	Similar to IFRS; however, no specific hierarchy of factors to consider. Generally the currency in which the majority of revenues and expenses are settled.	Does not require determination of functional currency. Assumes an entity normally uses the currency of the country in which it is domiciled in presenting its financial statements. If a different currency is used, requires disclosure of the reason for using a different currency.
Earnings per share – diluted	Use weighted average potential dilutive shares as denominator for diluted EPS. Use 'treasury share' method for share options/warrants.	Similar to IFRS	Similar to IFRS.
Post balance sheet events	Adjust the financial statements for subsequent events, providing evidence of conditions at balance sheet date and materially affecting amounts in financial statements (adjusting events). Disclosing non-adjusting events.	Similar to IFRS.	Similar to IFRS. However, non-adjusting events are not required to be disclosed in financial statements but are disclosed in report of approving authority e.g. Directors' Report.
Related Party Disclosures	There is no specific requirement in IFRS to disclose the name of the related party (other than the ultimate parent entity). There is a	The nature and extent of any transactions with all related parties and the nature of the relationship must be disclosed,	The scope of parties covered under the definition of related party could be less than under IFRS or U.S. GAAP.

	requirement to disclose the amounts involved in a transaction, as well as the balances for each major category of related parties. However, these disclosures could be required in order to present meaningfully the “elements” of the transaction, which is a disclosure requirement.	together with the amounts involved. Unlike IFRS, all material related party transactions (other than compensation arrangements, expense allowances and similar items) must be disclosed in the separate financial statements of wholly-owned subsidiaries, unless these are presented in the same financial report that includes the parent’s consolidated financial statements (including those subsidiaries).	Unlike IFRS, the name of the related party is required to be disclosed.
Segment reporting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	Similar to IFRS.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

Overview

We are a real estate development and construction company with focus on residential and commercial development in the cities of Pune and with presence in Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur. Our Promoter, Mr. Lalitkumar Jain has around three decades of experience in the real estate industry. In the past we and our promoter have undertaken all the real estate development under the brand name of “Kumar Builders”, a trademark owned by Mr. Lalitkumar Jain. Further, we have been successful in establishing relationship with financial investors such as Reliance Capital Limited in our Company. Additionally, ICICI Prudential and LSO Subco No. 4 / LREF Subco No.4 have invested in our Subsidiaries RVPPL and KBTVPL, respectively.

Our operations span all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects. As on date, we have 14 Ongoing projects across four cities with 3.91 million sq. ft. of estimated Developable Area and estimated saleable area of 3.42 million sq ft. In addition, we have 50 Forthcoming Projects with 73.13 million sq. ft. of Developable area and estimated 64.14 million sq. ft. of Saleable Area.

We were incorporated in 1993 and pursuant to a restructuring of the entities in our group in 2006, we acquired majority interests in certain entities forming part of our group. These entities on a cumulative basis prior to our acquisition have developed 3.30 million sq. ft. and our promoter Mr. Lalitkumar Jain was a majority stakeholder in all these entities prior to us acquiring an interest in them. We started our operations in Pune and gradually expanded to cities like Mumbai, Bangalore, Hyderabad, Panchgani & Nagpur.

We have completed 2.18 million sq. ft. of Developable Area since 2006 including 10 residential (including one-redevelopment project) and 7 commercial projects. In the residential segment, our past developments include of high-end residential projects, mid-income as well as affordable housing projects..We have developed projects such as Kumar Sophronia in Mumbai, Hillscapes & Buena Vista in Pune under high-end residential space. Under mid-income housing segment, we have executed projects such as Kumar Angan and Kumar Sansar in Pune. Under affordable housing segment, we have developed projects such as and Kubera Sankul in Pune.

In commercial segment, we have developed office complexes such as Kumar Business Centre and IT parks such as Cerebrum IT Park in Pune. In retail space, we have developed shopping centres such as Fun-n-shop and K.K market in Mumbai and retail malls such as and Fun –n-Shop in Pune. We have also undertaken a phased wise mixed development project which include a bungalow/villa scheme, a middle income group housing complex, an IT park and a luxury residential complex, and a mall located Kalyani Nagar, Pune.

In our residential projects, our main focus is on developing integrated townships, redevelopment of existing residential complexes and slum rehabilitation projects. Currently, we are undertaking redevelopment of existing residential, complex apartments in the city of Mumbai in addition to slum rehabilitation projects in Pune.

In our residential projects, our main focus is on developing townships which are integrated master planned communities in the mid to luxury segment, wherein we design, build and sell a range of properties including high rise buildings, villas, townhouses and apartments of varying sizes and in compliance with the applicable law permitting such township developments.

In our commercial projects, we are focused on developing, selling and leasing office and SEZ properties targeted at a wide range of customers from individual users and small companies to large corporates in various sectors including IT and ITES.

We have a team of 193 dedicated real estate professionals consisting of 64 engineers and architects who play an active role in supervising the development process from inception to completion of projects. Our marketing and sales teams comprising of 16 individuals, are responsible for managing customer relations. We outsource to external agencies semi-qualified and most of our undergraduate manpower requirements.

Our team has expertise in all stages of property development including land identification, market analysis, feasibility study, land acquisition, project planning, approvals procurement, development management, marketing and sales strategy and execution. We outsource elements of project management and construction to qualified third party vendors and consultants to complete the timely execution of our projects. Each of our projects and the consultants engaged by us for such projects are under constant supervision of our engineering, architectural and sales and marketing teams.

According to a survey conducted by the Construction World publication in July 2009, our Company was amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land, to procurement, construction and development of the projects and sales and marketing of our project, to operation of our completed projects.

We follow a business model based relying extensively on our areas of expertise and outsourcing the other areas. Thus, by leveraging our core expertise and aligning ourselves with third party experts who perform functions outside our core focus areas, we optimise the use of our resources.

Our Land Reserves may be broadly classified into lands for Ongoing and Forthcoming Projects. 'Developable Area' refers to the total area which we develop in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as 'super built-up' area**.** 'Saleable Area' refers to the part of the Developable Area relating to our economic interest in such property.

As of September 25, 2009, our Land Reserves spread across various cities across India are provided below:

City	**Land Area**	**Developable Area**		**Saleable Area***	
	*In acres**	*In million sq. ft.*	*% of aggregate area*	*In million sq. ft.*	*% of aggregate area*
	% of aggregate area				
Pune	1,142.42	59.12	76.9%	53.04	78.9%
Mumbai	24.32	2.21	2.9%	1.25	1.9%
Bangaluru	222.46	6.83	8.9%	5.05	7.5%
Hyderabad	157.79	1.79	2.3%	1.07	1.6%
Nagpur	121.2	6.69	8.7%	6.69	10.0%
Panchgani	33.47	0.22	0.3%	0.13	0.2%
Total	**1,701.66**	**76.86**	**100%**	**67.23**	**100%**

* *Area here refers only to the share of our Company or our subsidiaries or Other Development Entities except in relation to our redevelopment projects or lands where we have a revenue sharing arrangements.*

As of March 31, 2009, we had consolidated total income and consolidated net profit, as restated, of Rs. 2,391.26 million and Rs. 348.51 million, respectively and for the fiscal year 2008, we had consolidated total income and consolidated net profit, as restated, of Rs. 3,235.48 million and Rs. 676.04 million, respectively.

Factors affecting Results of Operations

Our results of operations depend on various factors, including the following:

Market Variations in Prices for our Properties

The prices of our properties are determined principally by market forces of supply and demand. We price our sales and rental properties by reference to market rates for similar types of properties in their locality. The sales and rental prices of our properties will therefore depend on the location, number of units, square footage and mix of properties we sell or rent during each fiscal period, and on prevailing market supply and demand conditions at the time we complete development of our real estate projects. Supply and demand conditions in the real estate market in the areas in which we operate, and hence the prices we may charge for our properties, are affected by various factors outside our control, including prevailing local economic, income and demographic conditions, interest rates available to purchasers requiring financing, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes, and competition from other real estate development firms. Our plan to launch large projects got delayed due to various factors there by creating a vacuum in terms of stock available for sale coupled with fall in sales across the realty business.

Since a substantial part of our ongoing and planned projects and our land reserves are concentrated in the Pune & Mumbai, we are particularly susceptible to market conditions in these areas.

Sales Volume and Rate of Progress of Construction and Development

For the properties we intend to sell, we follow the percentage of completion method of revenue recognition. Under this method, our revenue from sales depends upon the volume of bookings we are able to obtain for our developments as well as the rate of progress of construction of our projects. Our bookings depend upon our ability to identify suitable types of developments that will meet customer preferences and market trends, and to market and pre-sell our projects; and the willingness of customers to pay for developments or enter into sale agreements well in advance of receiving possession of the properties. Construction progress depends on various factors, including the availability of labor and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions. This revenue recognition policy is applicable to developments that we intend to sell and for which we have entered into a sale agreement prior to completion of construction; it is not applicable to developments that we intend to lease.

We will receive lease income, consisting of income from rental to third parties of our commercial real estate developments and space in our retail developments, upon completion of these projects. Our lease income will depend on the willingness and ability of our commercial and retail tenants to pay rent at the levels that we determine are acceptable to us, as well as the supply of and lease rentals for similar properties in such areas. We will also generate revenues from our hotel properties upon completion.

Cost and Availability of Land

The profitability of our business is dependent on our land acquisition costs and the availability of land for our projects at appropriate locations. Our growth is linked to the availability of land in marketable areas where we intend to develop projects. Any government regulations that restrict the acquisition of land or increased competition for land may therefore adversely affect our operations. In addition, excess supply of land will lower the cost of the land and therefore potentially lower the market value of our projects.

The cost of acquisition of land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty and effective cost of development rights in the case of joint developments are significant factors of our project cost.

We also acquire the right to develop properties through collaboration with other entities, which own the land. The other party is typically given the option, as consideration, to either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or to receive a pre-determined percentage of the developed area which such party may market at its expense. The practice of entering into development agreements eliminates the up front costs of acquiring such land and, as such, also reduces our financing costs, though it requires us to share revenues generated or Developable Area developed from such developments with the land owners. In such developments, we obtain the right to construct and develop the property from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of developed property, revenues or profits generated from such development. For such developments, we generally incur all of the construction and development costs.

We also execute re-development projects in collaboration with housing societies wherein as a consideration we may pay non-refundable advance compensation and also monthly rentals to the members of the housing societies as compensation in lieu of temporary accommodation from the time of handing over of vacant units to us until handing over of newly built units to them. This practice of entering into re-development agreements eliminates the up front costs of acquiring such land and, as such, also reduces our financing costs. For such re-developments, we incur all of the construction and development costs.

Construction Costs

Construction costs include the cost of raw materials such as steel, cement, wood, flooring materials and other accessories, as well as payments to construction contractors. Raw material prices, particularly those of cement and steel, can be volatile and are subject to factors affecting the Indian and international commodity markets. In most instances, we undertake the procurement of basic construction materials ourselves and look to sub-contractors only for labor in Pune. The timing and quality of construction of the projects we develop depends on the availability and skill of these contractors and consultants, as well as contingencies affecting them, including labor and raw material shortages and industrial action such as strikes and lockouts. Moreover, under laws of the states in which we operate, we may be required to make monetary contributions to state authorities in connection with the use of contract labor. In other cities we give turnkey contracts.

Cost of Financing

Our results of operations, and the purchasing power of our real estate customers, are substantially affected by prevailing interest rates and the availability of credit in the Indian economy. Interest rates in India have exhibited a declining trend over the last two fiscal years, with the RBI reverse repo rate declining from 7.75% as of March 31, 2007 to 6.00% and 5.00% as of March 31, 2008 and 2009, respectively. The RBI reverse repo rate remained at 4.75% as of June 30, 2009. In the year ended March 31, 2009, the global liquidity crisis severely affected the availability of debt financing internationally and in India.

Due to aggressive business development in pre recession phase company has increased borrowing. This is impacting PAT, though the properties acquired are planned to give a huge upside in near future after launch of the large projects.

Borrowings are an important means of financing our real estate projects. As of March 31, 2009, we had outstanding secured and unsecured loans of Rs. 4337.96 million. Our ability to borrow funds for the development of our real estate projects is affected in part by the prevailing interest rates available to us from lenders. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and our interest income in respect of our interest on short-term deposits with banks and loans to associates.

Significantly, the interest rate at which we may borrow funds, and the availability of capital to us for development purposes, affects our results of operations by limiting or facilitating the number of projects we may undertake and determining the return which we must obtain from our projects to meet our obligations under our borrowings.

Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly the customers for our residential properties, to obtain financing for their purchases of units in our developments. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of, and hence the markets demand for our real estate developments. One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. Interest rates have declined in the last decade. As a result, the amount of housing loans disbursed in India has been increasing steadily. However, the rates of interest for housing and other loans have shown an increasing trend in India in the recent past.

Economic, Income and Demographic Conditions in India & in particular Pune & Mumbai

We currently perform all of our real estate development activities in India and all of our projects are located in India. As a consequence, our results of operations are significantly affected by factors influencing the Indian real estate development industry and the Indian economy generally and Pune & Mumbai region real estate markets in particular. Growth in the GDP and per capita income of Indians generally results in increased demand for real estate developments and as such, an increase in our income.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance. For instance, the recent economic slowdown has had an adverse effect on the real estate sector and our business. We expect these trends to continue for some time, which means that our results of operations are expected to continue to vary from period to period in accordance with fluctuations in the Indian economy and the Indian real estate market.

Tax Benefits in India with Regard to Real Estate Development Based on current Indian tax laws and regulations, upon completion of our projects we expect to become eligible for certain special tax benefits. These include:

- Section 80-IB of the Income Tax Act which provides for tax benefits applicable to housing projects, upon the satisfaction of certain conditions;
- Section 80-IA of the Income Tax Act applicable to IT Parks; and
- Section 80-IAB relating to SEZ developments.

These special and other tax benefits are described in the section titled "Statement of Tax Benefits" beginning on page 71. In the event such tax benefits are not available to us due to any change in law or a change in the nature of our projects whereby we are not eligible to avail the benefits of various provisions of the Income Tax Act and SEZ related tax benefits, the effective tax rates payable by us may increase and consequently our financial condition may be affected. Indian tax policies also affect the affordability of our properties to our residential real estate customers, as principal payments (subject to a maximum amount) and interest payments on mortgages for residential properties are deductible up to certain amounts from personal income taxes in India. The continuation of these tax benefits can not be assured, and their non-renewal or elimination may adversely affect our business.

CRITICAL ACCOUNTING POLICIES

We have identified the accounting policies below as critical to our business operations and the understanding of our financial presentation, financial condition and results of operations. A critical accounting policy is one that is both important to the presentation of our financial condition and results of operations and requires our management to make difficult, subjective or complex accounting estimates and assumptions. Our management believes that the following accounting policies involve the application of critical accounting estimates and assumptions. The following is not intended to be a comprehensive list of all our significant accounting policies.

By their nature, the assumptions, estimates and judgments that our management is required to make are inherently subject to a degree of uncertainty. These judgments are based on our historical experience, our evaluation of accounting practices that would be appropriate in respect of our business, our observation of trends in the real estate development industry, information with respect to our customers, and information available from independent sources, as appropriate. There can be no assurance that our judgment will prove correct or that actual results reported in future periods will not differ from our expectations reflected in the accounting treatment of certain items. For a more complete summary of our significant accounting policies, see our financial statements included elsewhere in this Draft Red Herring Prospectus.

Revenue Recognition

In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by The Council of The Institute of Chartered Accountants of India (the "ICAI"), we have adopted the percentage of completion method of revenue recognition. Revenue is recognized in respect of sold areas in properties intended for sale which are under construction as of the reporting date when the following conditions are met:

- For developed plots:
    - The purchase agreement for the property is signed;
    - The buyer's investment is adequate to demonstrate a commitment to pay for the property;
- For apartments, townhouses and villas and commercial properties:
    - The purchase agreement for the property is signed;
    - The buyer's investment is adequate to demonstrate a commitment to pay for the property;
    And
    - The actual cost incurred on the project under execution, including the cost of land, is 25% or more of the total estimated cost of the project.

The percentage of completion method requires us to identify which development, or which component in a particular development, is to be treated as a separate project. This provides us with considerable flexibility as to how we are going to treat a particular development and divide it into individual projects. Once we have defined a project, we generally will not change the definition.

We estimate the saleable area of a project and the income from it based on, among other things, the size, specifications and location, of the project. We typically enter into contracts with our customers while the project is still under development. Each project is treated as having a notional completion time of two and a half years and customers wishing to buy a property in it are required to make an upfront payment at the time of booking, all or part of which may be nonrefundable, and pay the remaining purchase price in installments over the period between the date of booking and the date on which the property is to be transferred. Accordingly, bookings of saleable area, rather than actual amounts received, determine revenue recognition under the percentage of completion method.

We estimate the total cost of a project, based on similar considerations, prior to its commencement. Our project planning and execution teams have extensive experience with prior projects, which enables them to estimate and monitor project costs. Our project execution teams re-evaluate project costs periodically, particularly when in their opinion there have been significant changes in market conditions, costs of labor and materials and other contingencies. Material reevaluations will affect our income in the relevant fiscal periods.

The costs of construction and development are charged to the profit and loss account in proportion to the revenue recognized during the accounting period. The remaining costs are carried on the balance sheet as part of work-in-progress under inventories. Amounts receivable or payable are reflected as accrued revenue or advances from customers, as applicable, after recognizing revenue as discussed above.

The estimates of projected revenue, profits and costs, cost to completion and foreseeable loss are reviewed periodically by our management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

In respect of premises under construction that we plan to lease to third parties, we will recognize lease receipts in our income statement on an accrual basis. Therefore, lease receipts revenues relating to a fiscal year, whether received during or after such fiscal year, will be credited to such fiscal year's profit and loss account.

Rental income from our commercial and retail real estate developments is recognized on an accrual basis in accordance with the terms of the relevant leases. We determine rent based on various factors such as the location and construction quality of the properties, the area occupied by and the facilities offered to tenants and general market conditions.

We derive maintenance income from our property management services and are recognized on an accrual basis. Maintenance charges are determined based on the actual expenditure incurred by us in providing the services, plus a mark-up. We estimate maintenance charges in advance of a rental period based on actual costs incurred in the prior rental period. We adjust these charges periodically to account for actual costs.

Depreciation

Depreciation is provided on written-down value method and in accordance with the rates specified
Under Schedule XIV of the Companies Act, except

Assets acquired on lease are depreciated over the period of the lease;
Leasehold improvements and intangible assets are amortized.

Inventories

Inventories are valued as follows:
• Completed flats: at lower of cost or market value; and
• Construction work-in-progress: at cost.
Construction work-in-progress includes cost of land, premium for development rights, construction
Costs, allocated interest and expenses incidental to the projects undertaken by us.

Development Manager Fees

We have entered into development and project management agreements with certain landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

RESULTS OF OPERATIONS

The principal component of our income is revenue from the sale of residential properties, including plots of land, commercial properties and lease revenue from retail and commercial properties. We intend to manage our properties, therefore revenue from property management services would be an additional income stream for us.

The principal components of our expenditure are cost of sales, personnel expenses, operating and other expenses, selling expenses, interest expense, and depreciation and amortization. Our cost of sales consists mainly of land acquisition costs and development and construction costs, in each case attributable to the properties in respect of which we have recognized revenue. Personnel expenses comprise salaries and wages, allowances and other employee costs. Operating and other expenses include administrative expenses, legal and professional charges, advertisement and publicity expenses and travel costs. Selling expenses mainly include brokerage and commissions paid to real estate agents. Interest expense consists principally of interest paid on loans. In connection with the expansion of our business and proposed land acquisitions, we expect that we will incur significant amounts of indebtedness, which may result in an increase in our interest charges. We expect to reduce our loans using a portion of the proceeds from the Issue. Depreciation includes the depreciation on our fixed assets.

The following table sets forth, for fiscal 2009, 2008 and 2007, certain items derived from our consolidated Financial statements, in each case stated in absolute terms and as a percentage of total income:

SUMMARY STATEMENT OF PROFIT & LOSS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

Particulars	**For the Year Ended March 31,**		
	2009	**2008**	**2007**
Income			
Income from Operation:			
Revenue from real estate development / sale	2,180.19	3,156.16	2,275.29
Share of profit from partnership firms engaged in real estate business	0.13	0.68	1.01
Project Management Fees	-	22.04	73.28
Total Income from Operation	**2,180.32**	**3,178.88**	**2,349.58**
Other income	210.94	56.60	0.61
Total Income	**2,391.26**	**3,235.48**	**2,350.19**
Expenditure			
Cost of revenue	1,130.22	1,439.91	1,172.10
Personnel expenses	103.41	101.62	36.29
Operating and other expenses	200.34	340.89	145.78
Operating Expenses	**1,433.97**	**1,882.42**	**1,354.17**
Profit before interest, depreciation, tax and amortisation (PBIDTA)	**957.29**	**1,353.06**	**996.02**
Interest and Finance Charges	546.21	553.89	107.63
Depreciation	9.67	8.03	1.76
Profit before tax, exceptional items and prior period items	**401.41**	**791.14**	**886.63**
Current Tax (including Fringe Benefit Tax & Wealth Tax)	48.34	145.17	101.84
Deferred Tax	1.88	2.45	(0.55)
Tax for earlier years	2.95	-	-
Profit before exceptional items and prior period items	**348.24**	**643.52**	**785.34**
Exceptional items	-	(58.99)	(55.99)
Prior Period items	(15.30)	5.14	0.30
Net Profit Before Minority Interest	**332.94**	**589.67**	**729.65**
Share of Minority Shareholders	**1.99**	**(63.07)**	**94.60**

Net Profit for the Year (A)	**330.95**	**652.74**	**635.05**

COMPARISION OF FISCAL 2009 and 2008

Income

Our total income was Rs. 2,391.26 million for the fiscal 2009 as compared to Rs. 3,235.48 million for the fiscal 2008 representing fiscal year over fiscal year decrease of 26.09 % in 2009. The decrease was primarily due to decrease in revenue from real estate development/ sale.

Our revenue from real estate development/ sale was Rs.2,180.19 million for the fiscal year 2009 as compared to Rs.3,156.16 million for the fiscal year 2008 representing fiscal year over fiscal year decrease of 2% in 2009. The decrease in our total income for the fiscal year 2009 due to impact of global recession which impacted the economy as a whole and particularly the real estate industry. Our income from real estate development/ sale was primarily due to sale of residential units in projects Kumar Kruti, Shantiniketan and commercial units in projects Cerebrum B3 and K K Market at Pune.

Our income from Project management fees for fiscal 2009 was Rs. nil as compared to Rs.22.04 million in fiscal 2008, as this business was disposed off due to non-focus business area of the Issuer.

Other income increase by 272.69% from Rs.56.60 million in the fiscal year 2008 to Rs.210.94 million in the fiscal year 2009 primarily reflecting profit from sale of stake in one of our subsidiary, Kumar Builders Township Ventures Pvt. Ltd. to a strategic investor.

Expenditure

Our total expenditure for the fiscal 2009 was Rs.1,989.85 million as compared to Rs.2,444.34 million in fiscal 2008 representing fiscal year over fiscal year decrease by 18.59%. This was primarily due to decrease in real estate development/sale

Cost of Revenue. Our cost of revenue consists of costs of our building, finishing materials, costs of development rights over land or acquisition of land, construction materials, and construction overheads including sub-contractor costs and expenses, architects' and consultants' fees, rates and taxes allocable to projects and other miscellaneous construction expenses. For instance, in our project Buena Vista, a residential project in Pune, our total cost of land per sq. ft. was Rs.50.10 and total construction cost amounted to Rs.1,263.70 per sq. ft.

These expenses are our most significant expenses and accounted for 47.26% and 44.50% of our total income for the fiscal years 2009 and 2008 respectively. Our cost of revenue decreased by 21.51% to Rs. 1,130.22 million for the fiscal year 2009 from Rs. 1,439.91 million for the fiscal year 2008, as a result of an decrease in revenue from real estate development/sale resulting in corresponding recognition of cost of revenue. We expect our cost of revenue to continue to be a major portion of our expenditure.

Personnel expenses. Personnel expenses consists of salaries, wages and bonuses paid to our officers and employees, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Staff cost accounted for 4.32% and 3.14% of our total income for the fiscal years 2009 and 2008, respectively.
Our staff cost increased by 1.76% to Rs. 103.41 million for the fiscal year 2009 from Rs. 101.62 million for the fiscal year 2008, primarily due to an increase in the number of employees recruited for future growth.

Operating and other Expenses. Our operating and other expenses consist of consultancy charges, rent, power and fuel, insurance and repairs and maintenance costs, cost of project management, service charges, rates and taxes and other miscellaneous expenses. Administrative expenses accounted for 8.38% and 10.54% of our total income for the fiscal years 2009 and 2008, respectively.

Our administrative expenses decreased by 41.23% to Rs. 200.34 million for the fiscal year 2009 from Rs. 340.89 million for the fiscal year 2008, primarily due to an decrease in legal and professional charges to Rs. 60.73 million from Rs. 132.53 million, royalty charges to Rs. 20.54 million from Rs. 37.46 million, Advertisement to Rs. 48.32 million from Rs. 60.58 million and travelling and coneyance expenses to Rs. 12.68 million from Rs. 16.11 million.

Interest and Finance Charges. Interest and finance charges consist of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related processing charges. Net interest and financial charges include the effect of interest received from customers, project and landlords and others. Net interest and financial charges accounted for 22.84% and 17.12% of our total income for the fiscal years 2009 and 2008 respectively. See " Financial indebtedness" on page 283.

Our net interest and financial charges decreased by 1.39% to Rs. 546.21 million for the fiscal year 2009 from Rs. 553.89 million for the fiscal year 2008, due to an decrease in the debt which happened towards the end of the fiscal.

Depreciation. Our depreciation charge increased by 20.34% to Rs. 9.67 million for the fiscal year 2009 from Rs. 8.03 million for the fiscal year 2008. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 12.06 million.

Taxation. Our provision for taxes decreased by 63.98% to Rs. 53.17 million for the fiscal year 2009 from Rs. 147.62 million for the fiscal year 2008. The primary component of this decrease was decrease in our current tax liability to Rs. 48.34 million in the fiscal year 2009 from Rs. 145.17 million in the fiscal year 2008, corresponding with the decrease in our profit before tax.

Exceptional and Prior Period Items. There were no exceptional items for the fiscal year 2009 as compared to Rs. 58.99 million in fiscal 2008. This item was primarily on account of interest on land booked in inventories in earlier years. Also the prior period expenses were Rs. 15.30 million in fiscal 2009 while in fiscal 2008 there was prior period income of Rs. 5.14 million. These were primarily on account of various operating expenses.

Profit after Tax. Our profit after tax and minority interest decreased by 49.30% to Rs. 330.96 million for the fiscal year 2009 from Rs. 652.74 million for the fiscal year 2008.

COMPARISION OF FISCAL 2008 and 2007

Income

Our total income was Rs. 3,235.48 million for the fiscal year 2008 as compared to Rs. 2,350.19 million for the fiscal year 2007 representing fiscal year over fiscal year increase of 37.67%.

Our revenue from real estate development/ sale was Rs.3,156.16 million for the fiscal 2008 as compared to Rs.2,275.29 million for the fiscal 2007 representing fiscal year over fiscal year increase of 38.71% in 2008. The increase in our revenue from real estate development/ sale was due to commencement and progress of construction of various residential projects in previous year which was recognized as income under the percentage completion method and also due to an increase in unit prices. Sale of units in Kumar Kruti and Shantiniketan projects contributed substantially in revenue from the residential sector. Also with upswing in real estate market and demand for commercial space and we sold one building admeasuring 2,50,535 sq. ft. built up area in our Cerebrum IT Park (B2) in Pune to a investor.

Our income from Project management fees decreased by 69.92% for fiscal 2008 was Rs.22.04 as compared to Rs.73.28 million in fiscal 2007, as the project was completed in fiscal 2008.

Other income increase by 9178.69% from Rs.56.60 million in the fiscal 2008 to Rs.0.61 million in the fiscal 2007 primarily reflecting profit from sale of investment in fiscal 2008.

Expenditure

Our total expenditure for the fiscal 2008 was Rs. 2,444.34 million as compared to Rs. 1,463.56 million in fiscal 2007 representing fiscal year over fiscal year increase 67.01%. This was primarily due to increase in Total Income.

Cost of Revenue. These expenses are our most significant expenses and accounted for 44.50% and 49.87% of our total income for the fiscal years 2008 and 2007 respectively.

Our cost of revenue increased by 22.852% to Rs. 1,439.91 million for the fiscal year 2008 from Rs. 1172.10 million for the fiscal year 2007, as a result of an increase in from real estate development/sale resulting in corresponding recognition of cost of revenue. Also costs of steel and cement have increased during the past three fiscal years. However, historically we have been able to price our properties to maintain our margins and cost involved in some of the projects. For instance, in Cerebrum B2, an IT park at Pune, Fun-n-Shop a retail mall at Pune and Kumar Sophronia, a residential complex at Mumbai, the cost of land per sq. ft. was Rs.10.10, Rs.88.4 and Rs.642.90 respectively and construction cost per sq. ft. was Rs.1,305.00, Rs.1,260.8 and Rs.1,312.50 respectively.

We expect our cost of revenues continue to be a major portion of our expenditure.

Personnel expenses. Personnel expenses accounted for 3.14% and 1.54% of our total income for the fiscal years 2008 and 2007, respectively.

Our staff cost increased by 180.07% to Rs. 101.62 million for the fiscal year 2008 from Rs. 36.29 million for the fiscal year 2007, primarily due to an increase in the number of employees due to scale up of operations.

Operating and other Expenses. Operating and other expenses accounted for 10.54% and 6.20% of our total income for the fiscal years 2008 and 2007, respectively.

Our administrative expenses increased by 133.83% to Rs. 340.89 million for the fiscal year 2008 from Rs. 145.78 million for the fiscal year 2007, primarily due to an increase in consultancy charges to Rs. 132.53 million from Rs. 33.17 million, royalty charges to Rs. 37.46 million from Rs. 22.01 million, Rates and Taxes to Rs. 13.46 million from Rs. 1.17 million and Traveling expenses to Rs. 16.11 million from Rs. 5.79 million.

Interest and Finance Charges. Net interest and finance charges accounted for 17.12% and 4.58% of our total income for the fiscal years 2008 and 2007 respectively.

Our net interest and financial charges increased by 414.62% to Rs. 553.89 million for the fiscal year 2008 from Rs. 107.63 million for the fiscal year 2007, due to an increase by 91.04% in the debt.

Depreciation. Our depreciation charge increased by 356.22% to Rs. 8.03 million for the fiscal year 2008 from Rs. 1.76 million for the fiscal year 2007. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 94.57 million.

Taxation. Our provision for taxes increased by 45.74% to Rs. 147.62 million for the fiscal year 2008 from Rs. 101.29 million for the fiscal year 2007. The primary component of this increase was increase in our current tax liability to Rs. 145.17 million in the fiscal year 2008 from Rs. 101.84 million in the fiscal year 2007, corresponding with the increase in our profit before tax.

Exceptional and Prior Period Items. Exceptional items for the fiscal year 2009 were Rs. 58.99 million as compared to Rs. 55.99 million in fiscal 2008. These were primarily on account of interest on land booked in inventories in earlier years as well as restatement of opening work-in-progress. Also the prior period income were Rs. 5.14 million in fiscal 2009 while in fiscal 2008 they were Rs. 0.30 million. These were primarily on account of various operating expenses.

Profit after Tax. Our profit after tax and minority interest increased by 2.79% to Rs. 652.74 million For the fiscal year 2008 from Rs. 635.06 million for the fiscal year 2007.

Liquidity and Capital Resources

Our primary liquidity requirements are to fund our acquisition of land and development rights and the costs of construction and development. In connection with our growth strategy, we are embarking on project development plan, on our strategic land acquisition which we had done in past and which we expect will continue to account for a substantial proportion of our cash outflow. Our growth plans will require us to incur substantial additional expenditure in the current and future fiscal years across both our existing and new business lines.

Since the commencement of our operations, we have funded our financing requirements primarily from our equity contributions. However, as our business expands we expect that our land acquisitions as well as the construction and development costs for our projects will be funded through internal accruals and borrowings, as well as through the proceeds of this Issue as described in the section titled "Objects of the Issue" on page 60. Our expansion plans and planned expenditure are subject to change based on, and our ability to raise and service the required financing depends on, various factors such as interest rates, property prices and market conditions.

Net worth

As of March 31, 2009, March 31, 2008 and March 31, 2007, our net worth, defined as the difference between (a) total assets and (b) total liabilities and provisions, was Rs. 3,746.17 million, Rs. 2,874.86 million and Rs. 896.44 million, respectively.

Cash flows

As of March 31, 2009 and March 31, 2008, we had cash and cash equivalents of Rs. 298.69 million and Rs. 161.15 million, respectively. The following table presents selected cash flow data from our restated consolidated cash flow statements for fiscal 2009, fiscal 2008 and fiscal 2007:

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED AND CONSOLIDATED

(Amount in Rs. Million)

Particulars	**For the Financial Year Ended March 31**		
	2009	**2008**	**2007**
Cash from/(used in) operating activities	**1,038.95**	**(544.37)**	**(2,780.22)**
Cash from/(used in) investing activities	**424.33**	**(1,365.34)**	**45.23**
Cash from/(used in) financing activities	**(1,325.74)**	**1,834.12**	**2,964.74**
Cash and cash equivalents at beginning of year	161.15	236.74	6.99
Cash and cash equivalents at end of year/period	298.69	161.15	236.74

Cash flows from/(used in) operating activities

Our cash flow used in operating activities of Rs. 1,038.95 million in the fiscal ended March 2009 consisted primarily of profit before tax after prior period adjustments of Rs. 401.42 million adjusted for non-cash items of depreciation/ amortization of Rs. 9.67 million and various items of income/expense not arising from operating activities, in particular net interest expense of Rs. 520.59 million, Profit on sale of investment of Rs. 199.56 million, and for movements in working capital. Working capital movements include a decrease in trade and other receivables of Rs. 429.04 million, a increase in loans and advances of Rs. 53.46 million, a decrease in other current assets of Rs. 67.75 million, an increase in inventories of Rs. 944.83 million and a net increase in current liabilities, provisions and deferred payment liabilities of Rs. 748.70 million. The increase in current liabilities mainly represented advances received for stock being constructed. The increase in inventories reflected our acquisitions of land and costs of construction and development.

Our cash flow used in operating activities of Rs. 544.37 million in fiscal 2008 consisted of profit before tax after prior period adjustments of Rs. 775.89 million, adjusted for non-cash items of depreciation/ amortization of Rs. 8.03 million and various items of income/expense not arising from operating activities, in particular net interest expense of Rs. 553.89 million, and for movements in working capital. Working capital movements during the year included an increase in inventories of Rs. 1,952.98 million reflecting land acquisitions and costs of construction and development, a net increase in the Trade and other receivables of Rs. 1,410.23 million, a net increase in current liabilities, provisions and deferred payment liabilities of Rs. 604.91 million, offset by a decrease in loans and advances of Rs. 790.59 million.

Our cash flow used in operating activities of Rs. 2,780.22 million in fiscal 2007 consisted of profit before tax after prior period adjustments of Rs. 886.94 million, adjusted for non-cash items of depreciation/ amortization of Rs. 2.17 million and various items of income/expense not arising from operating activities, in particular net interest expense of Rs. 159.29 million and for movements in working capital. Working capital movements during the year included an increase in inventories of Rs. 2,445.21 million reflecting land acquisitions and costs of construction and development, a net increase in the Trade and other receivables of Rs. 159.19 million, a net increase in Loans and advances of Rs. 2,083.16 million, a net increase in other current assets of Rs. 243.95 million and a net decrease in current liabilities, provisions and deferred payment liabilities of Rs. 1,241.52 million.

Cash flows from/(used in) investing activities

Our cash flow from investing activities of Rs. 424.33 million in the fiscal 2009 consisted primarily of purchases of investments representing payments to increase our equity interest in subsidiaries.

Our cash flow used in investing activities of Rs. 1,365.34 million in the fiscal 2009 consisted primarily of purchases of investments representing payments to increase our equity interest in subsidiaries of Rs. 1,267.42 million.

Our cash flow from investing activities of Rs. 45.23 million in the fiscal 2007 consisted primarily of Sale of quoted investment being set off with purchases of investments representing payments to increase our equity interest in subsidiaries.

Cash flows from/(used in) financing activities

Our cash flow from or used in financing activities is determined primarily by the level of our borrowings, the schedule of principal and interest payments on them and the issuance of share capital. Our cash flow used in financing activities of Rs. 1,325.74 million in the fiscal 2009 consisted primarily of repayment of long term borrowings of Rs. 1,319.42 million, proceeds from the issuance of equity share capital (including a securities premium) of Rs. 514.27 million. Cash flow of Rs. 520.59 million was used in the payment of interest expenses.

Our cash flow from financing activities of Rs. 1,834.12 million in fiscal 2008 consisted primarily of proceeds from long term borrowings of Rs. 1,393.62 million, proceeds from the issuance of equity share capital (including a securities premium) of Rs. 1,004.72 million. Cash flow of Rs. 553.89 million was used in the payment of interest expenses.

Our cash flow from financing activities of Rs. 2,964.74 million in fiscal 2007 consisted primarily of proceeds from long term borrowings of Rs. 2,686.07 million, proceeds from the issuance of equity share capital (including a securities premium) of Rs. 444.64 million. Cash flow of Rs. 165.97 million was used in the payment of interest expenses.

Contingent liabilities See "– Financial Statements" beginning on page 203.

Off balance sheet arrangements

We have no off balance sheet arrangements.

Unusual or infrequent events or transactions

Except as mentioned above there are no unusual or infrequent events or transactions.

Known trends and uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified in this section and in the sections titled "Risk Factors" and "Our Business" beginning on pages 1 and 101, respectively,. To our knowledge, except as disclosed in the section titled "Risk Factors" beginning on page 1 of this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future relationship between costs and income

Other than as described in this section and the sections titled "Risk Factors" and "Our Business" beginning on pages 1 and 101, respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no known factors which might affect future relationship between costs and income.

Total turnover of each major industry segment

Our business activity primarily falls within a single business segment, which is real estate.

New products or business segment

Other than as described in this section and the sections titled "Risk Factors" and "Our Business" beginning on pages 1 and 101, respectively, of this Draft Red Herring Prospectus, there are currently no publicly announced new products or business segments. For further details of our business strategy, see the section titled "Our Business" beginning on page 101.

Seasonality of Business

There are no material seasonal trends in our business.

Dependence on a few clients

There is no dependence on few clients.

Competitive Conditions

We operate in a fragmented industry and face increasing competition from other real estate players. For further details, see the sections titled “Risk Factors” and “Our Business” beginning on pages 1 and 101, respectively, of this Draft Red Herring Prospectus.

Significant development occurring after March 31, 2009

The Share application money amounting to Rs. 8,347,553 pending allotment was refunded by the Company to the applicants on September 29, 2009.

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on September 25, 2009 the details of our secured indebtedness are as follows:

I. Loans granted to the Company

1. Facility Agreement dated **May 31, 2007** between KUDL and Standard Chartered Bank and facilities Letter dated **February 27, 2009**

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 1000.00 million, restructured as follows: Rs. 110.00 million (Disbursed and repaid back) Rs. 450.00 million (Term Loan) Rs. 440.00 million (Overdraft limit)	890 million	Term Loan 16% pa Overdraft limit 17.5% pa	• Demand promissory note for the amount of the facility together with interest payable thereon. • Exclusive charge on land and construction thereon on the projects Fun n Fair and KK Market, Pune and Sus Property (Land Only) and additional exclusive charge over properties at Khernagar and Irla so as to give cover of 1.5 times the loan amount outstanding. • Exclusive charge on the underlying receivables from projects Khernagar, Mallika (ghatkopar) & Irla project in Mumbai, Kumar Atman, Sophronia, Fun n Food, Fun n Fair, KK Market and Kubera Sankul projects in Pune, Windsor Park project in Panchgani. • Personal guarantee from Mr. Lalitkumar Jain. • Post dated cheques for repayment of principal amount from September 30, 2009 to December 31, 2010. • Repayment of Term Loan starting from September 30, 2009 and ends on December 31, 2010. • Repayment of overdraft facility starting from January 2010 till December 2010 in 12 equal monthly instalments.

2. Facility Agreement dated **August 30, 2007** between KUDL and ICICI Bank Limited and Amendatory Credit Arrangement Letter dated **March 2, 2009**

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 386 million restructured into RTL-1 and RTL-2 as follows: Rs. 120.70 million (disbursed and repaid back) ("**RT-1**") Rs. 265.30	Rs. 262.63 million.	The rate of interest on the principal amount of the RTL-2 outstanding from time to time monthly in each year on the 15th calendar day of each month. The rate of interest for tranche of the RTL-2 shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term	• Repayment of the principal amount of the RTL-2 in 18 monthly instalments to the bank. The first instalment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for properties mentioned under the letter, both present and future.

million (restructured – outstanding disbursed amount) ("**RT-2**")	premia (the "Applicable Rate"), plus applicable interest tax or other statutory levy. The ICICI Bank Benchmark Advance rate as on date is 16.75% p.a. and the Applicable rate as on date is 18% p.a.	• A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. • An extension of charge by pledge of 1.5% shares of KUDL.

Funded Interest term Loan of Rs. 12.50 million	11.47 million	Interest on the principal amount outstanding monthly in each year on the 15th calendar day of each month. The rate of interest for tranche shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term premia (the "Applicable Rate"), plus applicable Advance rate as on date is 16.75% p.a. and the Applicable Rate as on date is 18% p.a.	• Repayment of the principal amount in 3 monthly instalment to the bank. The first of such instalment of repayment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for the properties mentioned in the letter. • A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. • An extension of charge by pledge of 1.5% shares of KUDL in favour of ICICI Bank.

3. Sanction letter dated July 30, 2008 between KUDL and State Bank of India.

Sanctioned amount	Amount outstanding	Current rate of Interest	Repayment and Security

		(%)	
Rs. 10 Millions (Cash Credit Limit) Rs. 490 Millions (Bank Guarantee Limit	Rs. 10 million	Cash Credit 14% BG - NA	• Registered Mortgage of A) Undivided proportionate share in land (M/s. Kumar Beharay Rathi) along with FSI there on to be utilized for the construction of future buildings of project situated at S. No. 224/2/1, 224/2/2, 226/A1 to 5, Hadapsar, Pune B) open plot at land no. 25, CTS No. 1620, S. No. 131/2 Pashan link road, pashan Pune, C) three row houses being constructed on the survey no. 131/2 Baner Pashan Link Road, Pune. • Third party guarantee of M/s. Kumar Beheray Rathi, owners of collateral security, to the extent of value of the collateral security offered. • Cash credit limit is valid till 22.07.2009 and requested for the renewal.

II. Loans granted to our subsidiaries and Other Development Entities

1. Term Loan granted to M/s. Kumar Housing Corporation Limited and M/s. Kumar Builders Consortium by a loan agreement dated January 15, 2008 with LIC Housing Finance Limited

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 1500 million	Rs. 1447.20 million	12.25% p.a. payable monthly floating – linked to LHPLR.	• Repayment of the loan to be made within 36 months including moratorium of 18 months on Principal. • Registered mortgage of land and building of the project Kumar Kruti / Shanti Niketan and Sangamwadi all situated at Pune. Clear marketable, unencumbered security of the project to be at least twice the outstanding loan at any point of time. • Assignment of future receivables from the project Kumar Kruti/Shanti Niketan to the tune of minimum two times of loan outstanding. In case of shortfall in receivables, assignment of receivables from any other project acceptable to LICHFL. • Personal guarantee of Mr. Lalitkumar Jain. • Corporate guarantee of KUDL. • Post dated cheques for repayment of principal amount of the loan and for the interest due and payable on the loan. • Demand promissory note

2. Sanction Letter dated February 9, 2009 to KHCL from IDBI Bank

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 100.00 million	Rs. 100.00 million	BPLR + 275 bps p.a. (present effective 16.25% p.a.) payable monthly	• Renewable after one year • First charge on the current assets on the Company • First charge on open lease hold land admeasuring 90761 sq. ft at Panvel, Raigad District • First charge on Bungalow No. 5, Cluster No.1, Kumar City, Kalyani Nagar, Pune • Unconditional and irrevocable personal guarantee of Mr.

Lalitkumar Jain and corporate guarantee of M/s. KUDL.

3. Facility Agreement dated **July 31, 2007** between M/s. Kumar Builders and ICICI Bank Limited and Amendatory Credit Arrangement Letter dated **March 2, 2009**

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 119.70 million restructured into RTL-1 and RTL-2 as follows: Rs. 33.00 million (disbursed and repaid back) ("**RT-1**") Rs. 86.70 million (restructured – outstanding disbursed amount) ("**RT-2**")	Rs. 85.55 million	The rate of interest on the principal amount of the RTL-2 outstanding from time to time monthly in each year on the 15th calendar day of each month. The rate of interest for tranche of the RTL-2 shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term premia (the "Applicable Rate"), plus applicable interest tax or other statutory levy. The ICICI Bank Benchmark Advance rate as on date is 16.75% p.a. and the Applicable rate as on date is 18% p.a.	• Repayment of the principal amount of the RTL-2 in 18 monthly instalments to the bank. The first instalment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for properties mentioned under the letter, both present and future. • A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. • An extension of charge by pledge of 1.5% shares of KUDL.

Funded interest term loan Rs. 3.70 million	Rs. 3.60 million	Interest on the principal amount outstanding monthly in each year on the 15th calendar day of each month. The rate of interest for tranche shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term premia (the "Applicable Rate"), plus applicable Advance rate as on date is 16.75% p.a. and the Applicable Rate as on date is 18% p.a.	• Repayment of the principal amount in 3 monthly instalment to the bank. The first of such instalment of repayment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for the properties mentioned in the letter. • A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. An extension of charge by pledge of 1.5% shares of KUDL in favour of ICICI Bank.

The existing terms and conditions of this facility have been restructured and modified pursuant to an amendment by way of an amendatory credit arrangement letter dated March 2, 2009.

4. Facility Agreement dated **July 31, 2007** between KHCL and ICICI Bank Limited and amendatory Credit Arrangement Letter dated **March 2, 2009**

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 250.00 million restructured into RTL-1 and RTL-2 as follows: Rs. 83.30 million (disbursed and repaid back) ("**RT-1**") Rs. 166.70 million (restructured – outstanding disbursed amount) ("**RT-2**")	Rs. 164.89 million	The rate of interest on the principal amount of the RTL-2 outstanding from time to time monthly in each year on the 15th calendar day of each month. The rate of interest for tranche of the RTL-2 shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term premia (the "Applicable Rate"), plus applicable interest tax or other statutory levy. The ICICI Bank Benchmark Advance rate as on date is 16.75% p.a. and the Applicable rate as on date is 18% p.a.	• Repayment of the principal amount of the RTL-2 in 18 monthly instalments to the bank. The first instalment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for properties mentioned under the letter, both present and future. • A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. An extension of charge by pledge of 1.5% shares of KUDL.

Funded interest term loan Rs. 7.60 million	Rs. 7.11 million	Interest on the principal amount outstanding monthly in each year on the 15th calendar day of each month. The rate of interest for tranche shall be 1.45% p.a. above the sum of ICICI Benchmark Advance Rate prevailing on the date of disbursement of such tranche plus a term premia (the "Applicable Rate"), plus applicable Advance rate as on date is 16.75% p.a. and the Applicable Rate as on date is 18% p.a.	• Repayment of the principal amount in 3 monthly instalment to the bank. The first of such instalment of repayment shall fall due for term loan on March 15, 2010. • An extension of charge on the properties mentioned in the letter together with all buildings and structures thereon, both present and future. • Extension of charge on the scheduled receivables of the projects under the documents entered into with the obligors/customers, all insurance proceeds, both present and future. • An extension of charge/assignment by way of security of all rights, title, interest, claims, benefits, demands under the project documents for the properties mentioned in the letter. • A charge on the escrow account, all monies credited/deposited therein and all investments in respect thereof. • Personal guarantees from Mr. Lalitkumar Jain in favour of the lender. • Post dated cheques for the principal repayment. An extension of charge by pledge of 1.5% shares of KUDL in favour of ICICI Bank.

The existing terms and conditions of this facility have been restructured and modified pursuant to an amendment by way of an amendatory credit arrangement letter dated March 2, 2009.

5. Sanction Letter dated November 7, 2008 between M/s. Kumar Sons and Lakshmi Vilas Bank Limited.

Sanctioned amount	**Amount outstanding**	**Current rate of Interest (%)**	**Repayment and Security**
Rs. 45.00 million	Rs. 43.30 million	At BPLR (PER: 15.50% p.a.) payable at monthly rests.	• Against lease agreements (leave & license agreements) executed by the firm with M/s. Microsoft Corporation (India) Private Limited for letting out a premises admeasuring 4,010.60 sq.ft on the fourth floor and a similar lease agreement to be executed with M/s. Meadwestvaco India Private Limited for letting out another premises admeasuring 5,988 sq.ft on the seventh floor of the commercial complex "Kumar Business Centre", at No.29, Bund Garden Road, Pune – 411001. • Assignment of lease rental receivables in respect of the specified lease agreements (leave & license agreements). • 47% on the net lease rental receivables for 108 months. • Repayable in 108 step-up EMIs • Corporate guarantees from M/s. KUDL and M/s. KHCL. • Personal guarantee of Mr. Lalitkumar Jain.

6. Sanction letter dated January 2, 2006 between M/s. Kumar Builders and HDFC Bank Limited

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 90.00 million	Rs. 64.29 million	The rate of interest on the credit facility is 8% p.a. plus interest tax with interest compounded at such rate as may be determined by the bank.	• Tenure of the loan shall be 96 months from the date of first drawdown • Repayment will be made for Rs. 1,242,376 for first 36 months and Rs. 1,297,000 for balance 60 months and interest payment to be made over 96 months.

7. Sanction Letter dated June 13, 2008 to KHCL from State Bank of India

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 500.00 million	Rs. 480.00 million	At SBAR, that is 12.25% p.a. with monthly rests and reset clause at the end of one year.	• Tenor of the term loan is 31 months. The loan shall be repaid in two quarterly instalments of Rs. 250 million each in September 2010 and December 2010. The term loan is to be repaid on or before December 2010. • Exclusive charge by way of mortgage on land and building of the project to be financed by the term loan. • Collateral – Agricultural land aggregating to 17.73 acres in KUDL which has consented for the agreement and its corporate guarantee will be available. • Corporate guarantee of KUDL

8. Loan Agreement dated December 13, 2007 between KHCL and Yes Bank Limited

Sanctioned amount	Amount outstanding	Current rate of Interest (%)	Repayment and Security
Rs. 300.00 million	Rs. 225 million	The loan will carry intrest at 13.50% p.a. excluding interest tax calculated and payable with monthly rests	• The principal amount of the loan shall be repaid by within a period of 35 months by way of 8 quarterly instalments of Rs. 37.5 million each. • First pari-passu charge on the land of the sister concern at village SUS and Manjari, Pune to provide a cover of 1.5 times. • First pari-passu charge on receivables & other current assets of Jagadusha and Pant Nagar project at Ghatkopar, Mumbai • Corporate Guarantee of KHLDL • Personal Guarantee of Mr. Lalitkumar Jain • Post dated cheques for the repayment of principal • DSRA of one month interest • Negative lien on the project & insurance documents • Sponsor undertaking from KHLDL

9. Sanction Letter dated June 16, 2009 between Kotak Mahindra Prime Limited and Kumar Builders

Sanctioned amount	Amount outstanding	Current rate of Interest	Repayment and Security

		(%)	
Rs. 450 million	Rs. 180 million	18.00% p.a. floating rate payable monthly	• Repayment of the loan to be made in 18 monthly installments of Rs, 25 million each from the 19th to 36th month from the first date of drawdown. • Registered mortgage to be created on the land and buildings to be constructed thereon at Kondhwa, Pune under the project named Kumar Solo • 10 ready flats at Khira Nagar, Santacruz West, Mumbai • Land at Sus, Pune • Security cover of two times of the exposure to be maintained at all times • Lien on amount equal to three months interest to be kept in Ter Deposit with Kotak Mahindra Prime Limited. • Escrow of receivables from four projects namely Kumar Solo at Kondhwa Pune, Kumar Puram at Mukund Nagar Pune, Kumar Aangan at Yerawada Pune and Sahar Towers at Andheri East, Mumbai • All the owners of the secured assets to join as guarantors • Personal guarantee of Mr. Lalitkumar Jain, Ms. Madhu Lalitkumar Jain • Corporate guarantee given by KUDL, Sukumar Housing & Finance Pvt. Ltd. and Khiranagar Development Pvt Ltd. • Default interest of 3% per month compounded monthly over and above the contracted rate on sanctioned loan • Kumar Builders may be required to provide to the lender one or more post dated/undated cheques drawn in favour of the lender.

10. Sanction of term Loan by Shree Suvarna Sahkari Bank Limited to M/s. Suryodaya Estates.

Sanctioned amount	**Amount outstanding**	**Current rate of Interest (%)**	**Repayment and Security**
Rs. 40.00 million	Rs. 9.9 million	The rate of interest on the facility is 16%.	• Outstanding to be repaid upto March – 2010.

III. Total Unsecured Loans granted to the Company, its Subsidiaries and Other Development Entities totals to Rs.469.40 million.

IV. Short term loan against fixed deposit receipts granted to the company is Rs. 11.00 million.

V. Vehicle loan taken by the company from ICICI Bank is Rs. 6.00 million against which Rs. 1.86 million is currently outstanding.

VI. Short term loan against fixed deposit receipts granted to Subsidiaries and Other Development Entities is Rs. 33.67 million.

VII. Vehicle loan taken by Subsidiaries and Other Development Entities is Rs. 9.61 million against which Rs. 4.21million is currently outstanding.

Some of the corporate actions for which we need the prior written consent of our lenders include the following:

- to avail of credit facilities from other banks or financial institutions, further expansion of business, taking up new business activities or setting up or investing in a subsidiary whether in the same business line or unrelated business;
- to transfer/ invest its funds in whatsoever manner in any other concern;
- to borrowing or invest in programs having an adverse effect on the cash flow, i.e. those effecting liquidity of the Company;
- to effect any change in capital structure, declare dividends for any year, if the accounts of the Company with the bank is running irregular or if any of the terms are not complied with;
- to sell, assign, mortgage, alienate or otherwise dispose of any of its assets or those charged with the Bank;
- to permit any transfer of the controlling interest or make any drastic change in the management set up;
- to make any amendment to its constitutional documents;
- to make any material modifications to the project;
- to create, grant or extend any charge, lien or encumbrance over its assets;
- to create any uncalled capital or new shares;
- to make any loan, grant any credit or give any guarantee or indemnity or make any investment to or for the benefit of any person, including the promoters;
- to enter into or carry on any business not directly related to its present business;
- to invest in the form of shares or acquire any subsidiary or lend/ advance funds to or place deposits with any concern;
- to repurchase, cancel or redeem any of its share capital or issue any new shares (preference or otherwise) or alter rights attached to shares;
- to issue debenture or create security interest over its assets;
- to declare dividends for any year except out of profits of that year;
- to transfer controlling interest from the promoters; and
- to engage in any business or activities other than those which it is engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit sharing or royalty agreement or other similar arrangement whereby borrower’s income or profits are or might be shared with any other person.

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SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, our Development Entities, our Promoters and Group Companies, individuals forming part of our Promoter Group and our Directors, and there are no defaults, non-payment of statutory dues, over dues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds or fixed deposits or arrears on preference shares issued by our Company, our Subsidiaries, our Development Entities, our Promoters, Group Companies, individuals forming part of our Promoter Group and our Directors, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company, our Subsidiaries, the Promoters, Group Companies, our Development Entities and our Directors, and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiaries, our Development Entities, our Promoters, Group Companies, individuals forming part of our Promoter Group and our Directors that would result in a material adverse effect on our consolidated business taken as a whole.

Further, except as disclosed hereunder, our Company, our Subsidiaries, our Development Entities, our Promoters, Group Companies, individuals forming part of our Promoter Group and our Directors have not been detained as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

For details of contingent liabilities of our Company and our Subsidiaries, please refer to the financial statements of our Company and the Subsidiaries on page 184.

Cases involving the Company

Cases filed against the Company

Criminal Cases

Nil

Civil Suits

1. A civil suit (Regular Civil Suit No. 1511 of 2007) has been filed by Mangesh Uttam Lonkar in the Parve Court against Sangappa Vittal Madiwal and others including our Company for partition of the property bearing survey Nos. 37/1, 37/1/1, 37/1/2, 37/1/3, 37/1/4, Village Kondhuwa Khurd, Taluka Haveli, Pune District in which the plaintiff claims to have undivided share. The plaintiff has also prayed for an order restraining the defendant from transferring, and / or encumbering suit property in any manner whatsoever. The suit property is owned by Yashwantnagar Corporative Housing Society Limited and the development rights are with our Company. The suit is currently pending and the next date of hearing has been fixed for November 18, 2009.

2. A civil suit (Regular Civil Suit No. 422 of 2006) has been filed by Mr. R.D. Lonkar and others in the court of Civil Judge (Junior Division), Pune against Mr. R.J. Lonkar and our Company. The plaintiffs have alleged that the defendant Mr. R.J. Lonkar had transferred land in excess of the area actually owned by him at survey No. 37/10, Kondhawa Khurd, Pune to our Company. The plaintiffs have prayed for a declaration that the sale is not binding to the extent of the excess area transferred amounting to approximately 101.17 square metres and have also prayed for a

permanent injunction restraining our Company from disturbing their possession of the property. The suit is currently pending. The date of next hearing has been fixed for October 12, 2009.

3. A special civil suit (No. 849 of 2001) was filed by Mr. S.R. Patil in the court of the Civil Judge (Senior Division), Pune against KHSAC and others, including our Company and the Promoter, Mr. Lalitkumar Jain. The plaintiff entered into an agreement with KHSAC and granted a power of attorney for the transfer of its TDR in respect of 1,422 square metres of property. KHSAC subsequently transferred its TDR to the Company, which was utilized to develop the property located at C.T.S. No. 1304 and 1305, Yerwada, Pune. The plaintiff alleged that he had cancelled the power of attorney by a notice dated February 10, 2000 and has prayed for a permanent injunction restraining the defendants from carrying out any construction by using the TDR rights. The suit is currently pending and the next date of hearing has been fixed for November 25, 2009.

4. Two civil suits (Civil Suit No. 398 of 2002 and Civil Suit No. 675 of 2001) have been filed by Mr. R.S. Patil and Mr. P.S. Patil respectively in the court of the Civil Judge (Junior Division), Pune against Mr. S.R. Patil and others, including KHSAC, our Company and the Promoter, Mr. Lalitkumar Jain. The plaintiff in both suits have alleged that the TDR transferred by their father, Mr. S.R. Patil, in favour of KHSAC had accrued in respect of a property which was purchased from the funds of the HUF, of which they are members. The plaintiffs have prayed for a declaration relating to their undivided share in the TDR and for a permanent injunction restraining the defendants from carrying out construction upon property located at C.T.S Nos. 1304 and 1305 by utilizing the TDR. In Civil Suit No. 398/2002, the court by its order dated April 24, 2002 granted a temporary injunction restraining the defendants from developing the property and from creating any third party interest in the same. We preferred an appeal against this order in the court of Additional District Judge, Pune (Miscellaneous Civil Appeal No. 217 of 2002) which, by its order dated August 13, 2002, vacated the temporary injunction, although it upheld the restrictions imposed on the defendants from alienating the property or creating third party interest in the construction. We have filed a review application in the court of the District Judge (No. 678/2002), which is currently pending. A review application has been filed by KHSAC and Mr. Lalitkumar Jain in the court of the District Judge (No. 338/2004). The matter is currently pending and the date of next hearing has been fixed for October 03, 2009.

5. A civil suit (Regular Civil Suit No. 739 of 2001) has been filed by Narmada Estates Private Limited in the court of Civil Judge (Junior Division), Pune, against Mr. T.K. Sanghvi and others, including our Company. The plaintiff is the owner of the property located at CTS 1300 to 1303 Yerwada, Pune and has alleged that the defendants make use of the road that runs between CTS 1300 and 1305 for developing the property located at CTS 1305. The plaintiff has prayed for a permanent injunction restraining the defendants from using the road on the grounds that the road as well as the plot located at CTS 1305 continues to be in the possession of the state government and that the defendants are not authorized to use the same. The suit is currently pending. The date of next hearing has been fixed for October 12, 2009.

6. In relation to the aforesaid dispute, a writ petition (Writ Petition No. 2206 of 2004) has been filed by Narmada Estates Private Limited in the High Court of Bombay against the state of Maharashtra and others, including our Company. The plaintiff has prayed for a direction restraining us from carrying out any further construction on plots located at CTS 1304 and 1305, Yerawada, Pune and that the completion certificate or no objection certificate should not be granted with respect to this property pending final disposal of the writ petition. The High Court through an order dated February 17, 2005 directed the respondents to issue an order of derequisition in respect of CTS 1300 to 1303 under the Land Acquisition Act, 1894 on or before December 3, 2005, failing which they would be required to hand over possession to the petitioner. The state of Maharashtra and others have filed a special leave petition in the Supreme Court ((C) No. 7290 of 2006) against this order. The Supreme Court through an order dated June 5, 2006 has stayed operation of the order of the High Court. The matter is pending and the date of next hearing has been fixed for December 18, 2009.

7. A civil suit (Regular Civil Suit No.739 of 2001) was filed by Narmada Estates Private Limited in the Court of Civil Judge, Senior Division, Pune against Mr. Thanmal Khumaji Sanghvi & others including our Company and Ketki Properties and Estates Private Limited praying for permanent injunction restraining the defendants from using the suit road. The suit is currently pending for hearing.

8. A petition for Special Leave ((Civil) No.7290 of 2006) has been filed by the State of Maharashtra and 4 others against Narmada Estates Private Limited and others including our Company and Ketki Properties and Estates Private Limited, praying that the petitioner be granted Special Leave to Appeal under Article 136 of the Constitution of India against the impugned judgment and final order dated February 17, 2005 in Writ Petition No.2206 of 2004 passed by the High Court of Judicature at Bombay and to grant ex-parte stay to the execution and operation of said impugned judgment and final Order in Writ Petition No.2206 of 2004. The suit is currently pending and the next date of hearing has been fixed for October 14, 2009.

9. A civil suit (No. 577 of 2009) has been filed by Jayanand Khira and Company Private Limited and Another in the High Court of Mumbai against Chitaranjan Damodardas Shahs and others including the Company praying the court for a declaration that all acts, things and deeds done or any document executed by the defendants in respect of the suit property by misusing the power of attorney dated January 3, 1983 be cancelled and revoked and that the said power of attorney be declared to have terminated and revoked. The plaintiffs have also prayed for a temporary order of injunction restraining the Company from entering into any agreements or arrangements for the redevelopment of the suit premises nor carry out any construction or redevelopment on the said premises. The court has by its order dated June 18, 2009 dismissed the notice of motion and refused interim relief. The suit is currently pending.

Cases filed by the Company

1. A writ petition (W.P. No. 4139 of 2008) has been filed by the Company against Indian Bank, Sohal Engineering Works, the Recovery Officer, Debt Recovery Tribunal-II praying that a writ of certiorari be issued calling for the records of the petitioners case and after going through the propriety thereof to quash and/or set aside the judgement dated April 28, 2008 and order dated December 20, 2007 of the Debt Recovery Tribunal-II and the order dated June 15, 2007 passed by the recovery officer, DRT-II. The petitioners have also prayed for a declaration that the sale held on May 23, 2008 pursuant to the Public Notice dated April 21, 2007 is void on account of material irregularity and suppression of material facts and directing the Recovery Officer, Debt Recovery Tribunal-II to refund to the Petitioners the sum of Rs. 1.10 crores being the earnest money deposited by them together with the interest thereon from the date of deposit which is May 23, 2008 till payment and/or realization. The court has vide its order dated February 17, 2009 admitted the writ petition and it is currently pending.

2. An appeal (No. 362 of 2008) has been filed by our Company before the Additional Collector, Pune against the Tahasildar, Pune and others under section 247 of the Maharashtra Land Revenue Code, 1966 in respect of the property bearing Sy. No.. 37/13 at Kondwa Village, Pune District praying that order dated October 6, 2008 passed by the Probationary Assistant Collector and SDO, Pune rejecting the Appeal No. 50 of 2008 and vacating the interim stay granted on March 10, 2008 against the order dated November 7, 2007 passed by the Tahasildar, Pune which was challenged in the aforesaid appeal. The suit is currently pending and the date of next hearing has been fixed for November 23, 2009.

Tax Litigation

1. An appeal has been filed by our Company before the Commissioner of Income Tax (Appeals) against the assessment order dated December 29, 2008 passed by the Income Tax Officer for the year 2006-2007 assessing the income of the Company at Rs. 66,911,590 as against a declared income of Rs. 11,123 and demanding Rs. 22,703,520 as income tax. The appeal has been filed on

the ground that the assessing officer erred in disallowing the claim for deduction under Section 80IB(10) of the Income Tax Act, 1961. The appeal is currently pending and the next date of hearing has been fixed for October 5, 2009.

Contingent liability as on March 31, 2009

(*in Rs. Million*)

Particulars	As at March 31, 2009
Income tax demand not acknowledged as debt (including interest up to the date of demand)	23.11
Guarantees and counter guarantees issued on behalf of Subsidiaries and partnership firms	2,859.97
Claims not acknowledged as debts	-
Total	**2,883.08**

Cases involving our Subsidiaries

Kumar Housing Corporation Limited ("KHCL")

Cases filed against KHCL

Criminal Cases

1. Three criminal revision petitions (Nos. 29, 30 and 31 of 2009) have been filed by Mr. Ashoklal Chandmal Bora, Mr. Rasiklal Chandmal Bora and Mr. Ajay Vasantlal Bora respectively in the Sessions court Pune against KHCL, Mr. Lalitkumar Jain and others against the orders passed by the Chief Judicial Magistrate Pune dismissing the complaints (Nos. 71, 72 and 73 of 2003) filed by the complainants against the respondents. The complainants have prayed that the said orders passed by the Judicial Magistrate dismissing the complaints and discharging the accused be set aside and the complaints be revived. The case is currently pending and the next date of hearing is fixed for October 31, 2009.

Civil Suits

1. A civil suit (Regular Civil Suit No. 1262 of 2007) has been filed in the court of Civil Judge (Senior Division) Pune by Mr. Deepak Mali, secretary of Kumar City Residents Co-operative Housing Society, against KHCL, Kumar Builders, Kumar Builder and Mr. Lalitkumar Jain (as PoA holder of the land owners) in relation to the project developed on the property bearing survey Nos. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune. The Plaintiff has alleged that the defendant has not provided all the amenities promised to be provided to the purchasers of the Bunglows developed as part of the project. The suit is currently pending and the date of next hearing is on October 12, 2009.

2. A civil suit (Regular Civil Suit No. 1553 of 2007) has been filed by Kumar City Residents Co-operative Housing Society before the Court of Civil judge (Junior Division, Pune) at Pune against KHCL and others including Mr. Lalitkumar Jain in relation to land bearing Sy.No. 13B, hissa no. 1+2+3 and Sy.No. 14 situated at Vadgaonsheri, Pune, claiming that the defendants have no right or interest in the suit property and our Promoter holds the suit property on for and on behalf of the society and its members who are the beneficiaries and therefore, has no right to carry out firther construction on the suit property by taking advantage of additional FSI/TDR. It has been prayed that the defendants be restrained from constructing on the suit property. The suit is currently pending and the date of next hearing has been fixed for November 27, 2009.

3. A civil suit (Special Civil Suit No. 32 of 2008) has been filed in the court of the Civil Judge (Senior Division), Pune by Mr. Somnath Gajanan Jadhav against Mr. Kundlik Tukaram Jadhav and Others including G.H.Developers Private Limited, K.G. Ventures and KHCL. This is a suit for partition and declaration with respect to properties bearing (i) Gat No. 272 and 277, situated at

Village Vadgaonsheri Taluka Haveli, Pune District (ii) Bakhal properties situated at Village Fulgaon, Taluka Haveli, Pune District bearing Gram Panchayat property No.3, Gaothan Bakhal property bearing plot No.4, bakhal land bearing Gram Panchayat property No. 5,6,11 and 12 (iii) survey No. 30 hissa No. 1A/2/14/1/2 (iv) survey No. 29/1/3/8, 1/1A/1/1, 1/1/1/2 situated at Vadgaonsheri, Taluka Haveli, Pune District. Plaintiff has alleged that he has undivided share in the suit property and that the defendants have unlawfully executed and registered a development agreement with respect to the suit properties in favour of G. H. Developers. Plaintiff has prayed for a decree of partition and a declaration that the development agreement in respect of the suit property is illegal. The plaintiff has also filed an application for temporary injunction against the defendants praying that pending hearing and final decision of the suit, the defendants and their agents may be restrained from carrying on any construction in the suit lands or developing or alienating the suit lands. The suit and the application are pending and the date of next hearing has been fixed for October 12, 2009.

4. A civil suit (Special Civil Suit No. 1893 of 2005) has been filed by Mr. Rasiklal Chandmal Bora and others in the court of Civil Judge (Senior Division) Pune against KHCL, Mr. Lalitkumar Kesarimal Jain and others for specific performance of the agreement for sale executed by the defendant in favour of the plaintiffs agreeing to sell certain shops developed on the suit property bearing survey No. 707/A, hissa No. 1-7+14+15+16 situated at Gultekadi, Takuka Haveli, Pune district. The matter is currently pending. The date of next hearing has been fixed for November 11, 2009.

5. A civil suit (Special Civil Suit No. 467 of 1995) was filed by Mr. Vijay Mehta in the court of the Civil Judge (Senior Division) Pune against Ms. Leela Gaur and others including KHCL. The plaintiff has alleged that Ms. Leela Gaur entered into an agreement with him on December 15, 1994 to sell her undivided share in the property located at 2409, East Street, Pune. The plaintiff has prayed that he be put in joint possession with the other co-owners of the entire property. The plaintiff has prayed for damages to the extent of Rs. 100,210,000 from Ms. Leela Gaur as an alternative remedy. The matter is currently pending. The date of next hearing has been fixed for October 26, 2009.

6. A civil suit (Special Civil Suit No. 54/1998) has been filed by Ms. Indirabai Thatte (since deceased) through her legal heir and others in the court of the Civil Judge (Senior Division), Pune against Mr. V.N. Thatte and others including KHCL. The plaintiff claims to own a share in property located at survey No. 99, Tathawade, Pune, which is being developed by KHCL. The plaintiff has prayed for a declaration that they hold a share in the suit property. The plaintiff has also prayed for the partition of the suit property and a permanent injunction restraining the defendants from selling or disposing off the suit property. The suit is currently pending. The date of next hearing has been fixed for October 10, 2009.

7. A civil suit for partition (Special Civil Suit No. 919 of 2000) has been filed by Mr. K.N. Pashankar and others in the court of Civil Judge, (Senior Division), Pune against Mr. N.D. Pashankar and others including KHCL. The plaintiffs have prayed for a declaration that the property located at survey No. 138/5, Pashan, Pune belongs to the HUF of which they are members and have also prayed for partition and separate possession of the shares of the individual members. The court by its order dated October 20, 2000 restrained KHCL from carrying on any construction activities on the property until further orders. KHCL filed an appeal in the High Court of Bombay (A.O. No. 808/2000), which through an order dated January 12, 2001 vacated the injunction. The order however still prohibits construction on a part of the suit property, which is the subject matter of a separate suit. The suit is currently pending and the next date of hearing has been fixed for November 11, 2009.

8. The plaintiffs in the aforementioned Special Civil Suit No. 919 of 2000 have preferred a petition in the Supreme Court (Special Leave Petition (Civil) 8314 of 2001) against the order of the High Court dated October 20, 2000 and the same is pending.

9. A civil suit (Special Civil Suit No. 333 of 2001) has been filed by Mr. Jagdish Mulik and others in the court of the Civil Judge (Senior Division), Pune against KHCL and others including our Promoter, Mr. Lalitkumar Jain and his proprietary concern, Kumar Builder. The plaintiffs claim part ownership of the property located at Wadgaon Sheri, Pune which is being developed by KHCL, on the ground that the property was bequeathed to them. The plaintiffs have therefore prayed for a declaration that the development agreements executed in favour of KHCL are void to the extent they pertain to the portions of the properties owned by the plaintiffs. The plaintiffs also prayed for an ad interim temporary injunction restraining the defendants from carrying out any further construction in the portion of the land owned by them and from creating any third party interest. The court by its order dated September 23, 2002 rejected the application for ad interim temporary injunction against which the plaintiffs preferred an appeal in the High Court of Bombay (1028 of 2002). The High Court by its order dated January 19, 2005 dismissed the appeal from the order as well as the writ petition filed by the plaintiff in relation to the rejection of their application for amendment of the plaint by the civil judge. The plaintiffs filed a special leave petition before the Supreme Court ((Civil) No. 3356/2005) which was also dismissed by order dated January 19, 2005. The original suit is currently pending and the date of next hearing has been fixed for October 4, 2009.

10. An appeal (RTS Appeal No. 77 of 2006) has been filed by Mr. V.N. Thatte and others before the Sub-Divisional Officer, Maval, Pune, against Mr. M.S. Godbole and others including KHCL for quashing of the mutation entry in the revenue records with respect to property located at survey No. 99, Tatahwade, Pune which is being developed by KHCL. KHCL has been impleaded as a party to the appeal which is currently pending. Another appeal (RTS Appeal No.157 of 2006) was filed by Mr. Vijay Narayan Thatte and others against Manda Sadashiv Godbole and others before the Sub-divisional Officer, Maval Sub-Division, Pune. The said matter has been clubed with the RTS Appeal No.77 of 2006. The matter is to be taken on board.

11. A civil suit (Regular Civil Suit No. 202 of 1995) has been filed by Ms. Leela Gaur in the court of Civil Judge (Senior Division), Pune against Dr. Vimal Ranadive and others including KHCL. The plaintiff has prayed for a declaration that the defendants have no right to dispossess the plaintiff from the suit property located at house No. 2409 East Street, Pune and has also prayed for a permanent injunction restraining the defendants from selling the suit property or inducting any third party without the consent of the plaintiff. The suit is currently pending. The date of next hearing has been fixed for September 23, 2009. In relation to this property, Dr. Vimala Ranadive and others have filed a suit in the court of Civil Judge (Senior Division), Pune (Special Civil Suit No. 592/1995) against Ms. Leela Gaur and others for partition of house No. 2409 East Street, Pune to the extent of ¾ undivided shares in the suit property. The suit is currently pending. The date of next hearing has been fixed for October 27, 2009.

12. A civil suit (Long Cause Suit No. 378 of 2008) has been filed by Ramesh Baburao Sambare and another in the City Civil Court of Mumbai against Jagdusha Nagar Co-operative Housing Society and others including KHCL for a declaration & injunction that the redevelopment agreement dated April 7, 2007 & power of attorney dated April 13, 2007 executed by the society in favour of KHCL with respect to the suit premises situated at CTS No. 74, Jagdusha Nagar, Ghatkopar West, Mumbai is null, void & illegal. The plaintiff has also prayed for an injunction restraining the defendants from redeveloping the suit property and also restraining BMC from sanctioning the plan in respect of the suit property. By order dated February 21, 2008, court has refused Ad-interim relief. The notice of motion is pending for hearing and the date of next hearing has been fixed for September 30, 2009.

13. A civil suit (Long Cause Suit No. 377 of 2008) has been filed by Nilesh J. Patel and another against Jagdusha Nagar Co-operative Housing Society and others including KHCL for a declaration & injunction that the redevelopment agreement dated April 7, 2007 & power of attorney dated April 13, 2007 executed by the society in favour of KHCL with respect to the suit premises situated at CTS No. 74, Jagdusha Nagar, Ghatkopar West, Mumbai is null, void & illegal. The plaintiff has also prayed for an injunction restraining the defendants from redeveloping

the suit property and also restraining BMC from sanctioning the plan in respect of the suit property. By order dated February 21, 2008, court has refused Ad-interim relief. The notice of motion is pending for hearing and the date of next hearing has been fixed for September 30, 2009.

14. A case (CC-II/199 0f 2008) has been filed by Jagdush Nagar Co-operative Housing Society and others in the Co-operative Court of Mumbai against Nilesh Patel and 31 other members of the said housing society and KHCL for order directing the 32 unsatisfied members of the housing society to vacate the suit premises situated at CTS No. 74, Jagdusha Nagar, Ghatkopar West, Mumbai and hand over vacant and peaceful possession to the developer, KHCL. It has been prayed that the court declare that the resolutions passed by the society in its meetings held from time to time so far as the re-development of the property are binding on the members and that the opponents be ordered to vacate their rooms and hand over vacant and peaceful possession to the society so as to enable the society to hand over the said rooms to the developer for redevelopment. The court has by an order dated November 03, 2008 has granted ad-interim relief to the disputant society and has directed the opponents to hand over the possession of their rooms to the society. The suit is currently pending and the date of next hearing has been fixed for September 30, 2009.

15. In relation to the aforementioned dispute, an execution application has been filed by Jagdush Nagar Co-operative Housing Society and others against Nilesh Patel and 31 other members of the said housing society and KHCL for executing the order dated November 3, 2008 passed by the Co. Operative Court Mumbai. It has been prayed that any proper and fit person be appointed as court receiver to take possession of the premises of the opponents and hand over the vacant and peaceful possession of the said premises to the disputants for the purpose of society's redevelopment. The petition is currently pending and the date of next hearing has been fixed for September 30, 2009.

16. An appeal (RTS Appeal No. 317 of 2006) has been filed by Mr. V.N. Thatte and others before the Additional Collector, Pune, against the State of Maharashtra and others including KHCL against the order dated June 22, 2006 passed by the Sub-Divisional Officer, Maval, Pune in RTS/A/SR/156/2006. The impugned order dismissed an appeal made by the appellant against the order of certification by the Circle Officer, Thergaon, in respect of the mutation entry in respect of property located survey No. 99, Tatahwade, Pune. The appellants have further prayed that pending the appeal, the effect, operation and implementation of the mutation entry as well as impugned orders be stayed. The appeal is currently pending.

Consumer Complaints

1. 9 consumer complaints (Complaint Nos. 405 of 2008 to 413 of 2008) have been filed against KHCL in the District Consumer Redressal Forum, Pune by purchasers of units in the in the project "Kumar City" developed by KHCL on the property bearing survey Nos. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune alleging that various amenities which were promised by the opponent at the time of entering into the sale agreement like skating ring, bowling alley, amphitheatres, library etc. have not been provided for. The complainants submit that the opponent has failed to perform his obligations under the agreements by not providing the services agreed to be provided. The Complainants have claimed a compensation of Rs. 1000 per month to be paid to every member of the complainant society from the day the opponents stopped maintaining the facilities till the day they make these amenities/facilities operational. The complaints are currently pending and the date of next hearing has been fixed for October 5, 2009.

2. 6 complaints (Nos. 45 to 50 of 2008) have been filed by purchasers of units in the project "Kumar City" developed by KHCL in the District Consumer Redressal Forum, Pune against KHCL (Sukumar Estate Ltd.) in relation to lands bearing survey Nos. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune. The complainants are purchasers of units in the project developed on the suit property bearing survey Nos. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune and are alleging that various amenities

which were promised by the opponent at the time of entering into the sale agreement like skating ring, bowling alley, restaurants, amphitheatres, library etc. have not been provided for. The complainants submit that the opponent has failed to perform his obligations under the agreements by not providing the services agreed to be provided. The Complainants have claimed a compensation of Rs. 1,000 per month to be paid to every member of the complainant society from the day the opponents have stopped maintaining the facilities till the day they make these amenities/facilities operational. The complaints are currently pending and the date of next hearing has been fixed for October 5, 2009.

Cases filed by KHCL

1. A civil suit (Special Civil Suit No. 1813 of 2008) has been filed by KHCL in the court of the Civil Judge (Senior Division) Pune against the Municipal Corporation of Pune and Assistant Engineer, Building Permission Department, Pune for declaration and issue of permanent injunction in relation to property bearing survey No. 13/B hissa No. 1+2+3 and survey No. 14 situated in Vadgaon Sheri, Taluka Haveli, Pune District. The plaintiff has development rights in the suit properties and has developed its project named 'Kumar City' on the suit property. As part of such development, the plaintiff had constructed some slabs over a 'nala' passing through the property and this is claimed to be reflected in all the plans sanctioned by the defendant. Now this suit has been filed against a notice issued by the defendant alleging that the slab has been constructed without obtaining permission from the defendant and calling upon the plaintiff to demolish the same. The plaintiff has prayed that the defendant be restrained from getting the slab demolished. An application for temporary injunction has also been filed by the plaintiff for obtaining an ad-interim order of temporary injunction against the defendant restraining them from demolishing the suit slab. The suit is currently pending and the next date of hearing has been fixed for October 27, 2009.

2. A civil suit (Regular Civil Suit No. 1552 of 2007) has been filed by KHCL in the court of the Civil Judge (Senior Division) Pune against Mr. Jagdish Tukaram Mulik and others in relation to property bearing survey Nos. 13A/1, 13A/2, 13A/3 situated at Village Vadgaon Sheri, Taluka Haveli, Pune District alleging that the defendants have without any cause and with malafide intentions and ulterior motives filed a civil suit (Special Civil Suit No. 333 of 2001) against the plaintiff claiming to be the rightful owners of the suit property which is pending as on date in the Court of the Civil Judge (Senior Division) Pune. The matter is currently pending and the date of next hearing has been fixed for November 11, 2009.

3. A civil suit (Special Civil Suit No. 383 of 2002) has been filed by KHCL in the court of Civil Judge (Senior Division) Pune against Mr. J.T. Malik and others with respect to a dispute concerning land located at survey No. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune for recovery of compensation and damages and other consequential reliefs including attachment of the properties of the defendants. KHCL claims that it had agreed to purchase the property at a specified consideration and having already paid the full consideration price it refused to pay money over and above the agreed consideration price. The defendant's sons filed a suit in the court of Civil Judge (Senior Division) Pune (Special Civil Suit No. 333 of 2001) challenging the alienation of the suit land by the defendant in favour of KHCL which suit is currently pending. KHCL has claimed that the defendants in collusion with each other and with a view to extract huge amount of money by catching the plaintiff in a tight corner have filed the said civil suit. KHCL had invested heavily on the lands and has floated a scheme and advertised the launch of the said scheme. The matter is currently pending and the next date of hearing has been fixed for October 26, 2009.

4. A civil suit (Regular Civil Suit No. 500 of 1995) has been filed by KHCL in the court of Civil Judge (Junior Division) Pune against Ms. Leela Gaur in relation to an oral agreement concluded by KHCL with respect to purchase of the defendants one-fourth undivided share in the property located at house No. 2409, East Street, Pune which provided for the execution of a memorandum of understanding in relation to the property. KHCL has prayed for a mandatory injunction

directing the defendant to execute the memorandum of understanding and for a permanent injunction restraining the defendant from creating any third party interest with respect to the suit property. The suit is currently pending. The date of next hearing has been fixed for October 28, 2009.

5. A civil suit (Civil Suit No. 594 of 2003) has been filed by KHCL and Mr. V.N. Thatte, among other plaintiffs, in the court of Civil Judge (Senior Division) Pune against the state of Maharashtra and others. Mr. V.N. Thatte claims to be the absolute owner of the property bearing survey No. 99, Tatahwade, Pune that is in the possession of KHCL and have alleged that the state government is acquiring the suit property for non-public purposes without following the due procedure required to be followed in this regard. The plaintiffs have prayed for a declaration that the land acquisition proceeding is illegal and void and that a permanent injunction be granted restraining the defendants from proceeding any further for acquiring the suit land. The suit is currently pending. The date of the next hearing has been fixed for October 27, 2009.

6. An appeal (Appeal No. 760 of 2006) has been filed by KHCL before the Superintendent of Land Records, Pune against the measurement carried out by the Taluka Inspector of Land Records in relation to part of the land located at survey No. 13 A/1+2+3, Vadgaon Sheri, Pune. KHCL has prayed for quashing the measurement and as interim relief has prayed that pending hearing of the appeal, the effect, operation and implementation of the impugned measurement be stayed. The Superintendent of Land Records has by order dated October 16, 2006 granted a stay order restraining the operation and implementation of the demarcation plan issued under mojani register No. 2969 dated June 9, 2006. The matter has been stayed and the same is pending final disposal of the appeal.

7. An application has been filed by KHCL under Section 258 of Bombay Provincial Municipal Corporation Act, 1949 before the Commissioner, Pune Municipal Corporation for cancellation of the layout/building plans and permissions granted under commencement certificate No. CC/4432/05 dated March 20, 2006 to Mr. J.T. Malik on the ground that the approvals were obtained in respect of land over a portion of which KHCL has development rights. The application is currently pending.

8. An arbitration petition (Stamp No. 927 of 2009) has been filed by KHCL before the High Court of Judicature at Bombay against Suman Nagar Co- Operative Housing Society for appointment of an arbitrator under section 11 of the Indian Arbitration Act, 1996 in respect of dispute in relation to property situated at Chembur.

9. A miscellaneous civil appeal (No.414 of 2008) has been filed by KHCL before the court of Civil Judge (Senior Division) Pune against the Municipal Corporation of Pune against the order dated September 26, 2008 of the Trial Court on the injunction application refusing to grant ad-interim relief in favour of the appellant- plaintiff in Special Civil Suit No.1813 of 2008 before Civil Judge, Senior Division, Pune. The appellant-plaintiff has prayed that the respondent be restrained by order of ad-interim and interim injunction from demolishing the slab constructed by the plaintiff on a stream flowing through the land on which it has development rights. The appeal is currently pending and the date of next hearing has been fixed for October 13, 2009.

10. A complaint has been filed by KHCL before the Commissioner, PMC under the Pune Municipal Corporation Act, 1949 alleging negligence on the part of the Assessor and Collector of Taxes in fixing the annual ratable value of land located at plot No. 6 in survey No. 707. The complaint is currently pending.

Tax Litigation

1. An appeal has been filed by KHCL before the Commissioner of Income Tax (Appeals) against the assessment order for the year 2006-2007 passed by Deputy Commissioner of Income Tax, Circle-6, Pune assessing the income at Rs. 13,832,620 as against a declared income of Rs. 8,573,785 and

demanding payment of Rs. 1,329,369 as income tax, on the grounds that the assessing officer erred in disallowing the assessee's claim of deduction under Section 80IB(10) of the Income Tax Act, 1961 in respect of Kumar Puram Project and certain other claims for depreciation. The appeal is currently pending and the date of next hearing has been fixed for October 7, 2009.

2. An appeal has been filed by KHCL before the Commissioner of Income Tax (Appeals), Pune against the assessment order for the year 2005-2006 assessing the income at Rs. 11,328,994 as against a declared income of Rs. 5,854,280 and the demand notice demanding payment of Rs. 2,631,077 as income tax for the said assessment year. The appeal is currently pending and the date of next hearing has been fixed at October 7, 2009.

3. An appeal has been filed by KHCL before the Commissioner of Income Tax (Appeals), Pune against the assessment order passed by the Deputy Commissioner of Income Tax for the year 2004-2005 assessing the total income at Rs. 8,670,410 as against a declared income of Rs. 3,067,897 and the notice demanding payment of Rs. 2,592,210 as income tax for the said assessment year, on the ground that the Deputy Commissioner erred in disallowing claim for deduction under 80IB (10) of the Income Tax Act, 1961 in respect of Kumar Puram project. The Deputy Commissioner has also by order dated December 22, 2006 asked KHCL to show case why an order imposing penalty should not be made under Section 271 of the Income Tax Act, 1961 for furnishing inaccurate particulars of its income for the assessment year 2004-2005. The appeal is currently pending and the date of next hearing has been fixed at October 7, 2009.

4. An appeal (No. 359) has been filed by KHCL before the Commissioner of Income Tax (Appeals) Pune against the assessment order dated March 28, 2006 passed by the Assistant Commissioner of Income Tax, Pune for the year 2003-2004 assessing the total income at Rs. 16,887,243 as against a declared income of Rs. 2,213,247 and the notice demanding payment of Rs. 2,592,210 as income tax for the said assessment year, on the ground that the Deputy Commissioner erred in disallowing claim for deduction under 80IB (10) of the Income Tax Act, 1961 in respect of Kumar Puram project. The order also stipulates the initiation of penalty proceedings. The appeal is currently pending and the date of next hearing has been fixed at October 7, 2009.

5. An appeal (No. 14) has been filed by KHCL before the Commissioner of Income Tax (Appeals) Pune against the assessment order passed by the Assistant Commissioner of Income Tax, Pune for the year 2002-2003 assessing the total income of the assessee at Rs. 10,574,645 million as against a nil declared income alleging that the assessment officer erred in disallowing deduction under section 80IB(10) of the Income Tax Act, 1961in respect of Kumar Puram project. The appeal is currently pending and the date of next hearing has been fixed at October 7, 2009.

6. An appeal has been filed by KHCL before the Income Tax Appellate Tribunal, Pune against the order passed by the Commissioner of Income Tax (Appeals) – II Pune, dated January 24, 2006 in the appeal (No. PN/CIT(A)-II/Cir-6/185/2003-2004) filed by KHCL against the order of the Assistant Commissioner of Income Tax, assessing the income of the appellant for the assessment year 2001-2002 to be Rs. 470,795 as against a declared income of Rs. Nil claiming that the Assistant Commission erred in disallowing deduction of Rs. 455,461 under Section 80IB(10) of the Income Tax Act, 1961. The Commissioner of Income Tax through the said order dated January 24, 2006 held that the appellant was not entitled for deduction under section 80 IB (10) since the project in respect of which deduction was claimed had started before October 1, 1998 from which date the deductions were allowable. The order of the Commissioner of Income Tax also stipulates initiation of penalty proceedings under Section 271(i)(c) of the Income Tax Act, 1961. The appeal is currently pending and the date of next hearing is fixed at October 7, 2009.

7. An appeal (I.T.A. 976/PN/1998) was filed by the Income Tax Department before the Income Tax Appellate Tribunal, Pune Bench, against the order of the Commissioner of Income Tax, Pune dated September 22, 1998 allowing the appeal filed by KHCL against the assessment order dated January 31, 2000 passed by the for the assessment year 1997-1998 assessing the total income of the appellant to be Rs. 56,500,699 as against a declared income of Rs. 27,441,976. The appeal was

dismissed by an order of the Income Tax Appellate Tribunal dated October 25, 2004. The matter is currently redirected to the assessing office for final disposal and the date of next hearing is October 7, 2009.

8. An appeal (I.T.A. 975/PN/1998) was filed by the Income Tax Department before the Income Tax Appellate Tribunal, Pune Bench, against the order of the Commissioner of Income Tax, Pune dated September 22, 1998 allowing the appeal filed by KHCL against the assessment order dated February 26, 1999 passed by the for the assessment year 1996-1997 assessing the total income of the appellant to be Rs. 29,036,380. The appeal was dismissed by an order of the Income Tax Appellate Tribunal dated October 25, 2004. The matter is currently redirected to the assessing office for final disposal and the date of next hearing is October 7, 2009.

Contingent liability as on March 31, 2009

In Rs. Million

Particulars	As at March 31, 2009
Income tax amount paid under protest	35.43
Guarantees and counter guarantees issued	45.00
Claims not acknowledged as debts	-
Total	**80.43**

Kumar Builders Township Ventures Private Limited ("KBTVPL")

Cases filed against KBTVPL

Nil

Cases filed by KBTVPL

1. A civil suit (No.78 of 2009) was filed by PMRPL and KBTVPL against Mr. Deepak Madhukar Bhondve and others in respect of the property bearing Sy.No. 200/1/1, 202, 206/2/2, 214/2, at Hinjawadi, Pune for cancellation of the mutation entry recording the name of Mr. Deepak Bhondve in the revenue records of the said properties. The suit is currently pending.

Contingent liability as of March 31, 2009

Nil

Kumar Perfumaries Private Limited ("KPPL")

Cases filed against KPPL

Civil Suits

1. A civil suit (Long Cause Suit No. 3468 of 2004) has been filed by Mr. M.H. Nemayandah in the City Civil Court, Bombay against the Municipal Corporation of Greater Mumbai ("MCB") and KPPL. Pursuant to a deed of assignment dated August 13, 2003 KPPL has acquired the beneficial interest by way of leasehold rights in respect of property located at plot No. 11 and 12, new survey No. 2033, Dadar, Mumbai. MCB served a notice on the plaintiff under Section 351 of the Bombay Municipal Corporation Act, 1888 for removal and demolition of the canteen shed located at the property pursuant to which the plaintiff made a notice of motion (No.1582/2004) to the court for restraining MCB from demolishing the canteen shed. The court by its order dated July 27, 2004 restrained MCB from demolishing the canteen. KPPL has filed its reply to the motion and also the written statement. The suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

2. Another civil suit (Long Cause Suit No. 4857 of 2004) has been filed by Mr. M.H. Nemayandah in the City Civil Court, Bombay against MCB and KPPL with respect to the aforementioned property. The plaintiff has alleged that the approval of plans by MCB and the commencement certificate in relation to development of the property is illegal. The court has by order dated November 4, 2004 granted ad interim relief restraining the demolition of the canteen shed. The plaintiff moved a notice of motion (No. 4236/2004) for restraining KPPL from carrying out any construction activity, on the grounds that the defendant had violated the order of the court with respect to the distance to be maintained between two buildings located at the property. The plaintiff has alleged that KPPL and its directors had misled the court by placing an inaccurate plan for the development of the property before the court. The plaintiff has also moved a notice of motion alleging contempt of the orders of the court by MCB, KPPL, Mr. Lalitkumar Jain and Mr. Shailesh Hingarh. The suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

3. A civil suit (R.A.D. Suit No.141/2004) has been filed by Mr. M.H. Nemayandah in the Small Causes Court, Bombay against P.N.Kothari, KPPL and others. The plaintiff claims to be the tenant of the shed situated at plot No. 11 and 12, new survey No. 2033, Dadar, Mumbai being developed by KPPL. The plaintiff has filed the suit for a declaration that he is the lawful tenant of the shed and has prayed for a permanent injunction restraining the defendants from demolishing the shed. KPPL has filed its written statement. The suit is currently pending for final hearing. The date of next hearing has been fixed for September 25, 2009.

Cases filed by KPPL

Civil Suits

1. A civil suit (R.A.E. Suit No. 804/1243/2006) has been filed by KPPL in the Small Causes Court, Bombay against Mr. Mohammad Hassan Nemayandah for eviction of the defendant from the suit premises. The defendant is a tenant of a building located at plot No. 11 and 12, new survey No. 2033, Dadar, Mumbai over which KPPL claims development rights. KPPL has prayed that the defendant be ordered to vacate and handover the vacant possession of the building and pending disposal of the suit be restrained from creating any third party interest in the same. The defendant has filed the written statement and the suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

Contingent liability as of March 31, 2009

Nil

Sukumar Enviro Farms Private Limited ("SEFPL")

Cases filed against SEFPL

Nil

Cases filed by SEFPL

Nil

Contingent liability as of March 31, 2009

Nil

Sinew Developers Limited ("SDL")

Cases filed against SDL

Civil Suits

1. A civil suit (Special Civil Suit No. 658 of 2006) has been filed by Mangalmurthy Properties in the court of Civil Judge (Senior Division), Pune against Khwaja Peer Sayed Hissamuddin Kattal-E-Zanzani Chisti ("Trust") and others including Kumar Builders, SDL and A.V. Bhatt and Co. ("**AVB**"), now called KSDL. The plaintiff claims to have entered into a memorandum of understanding with the only surviving Mutawalli of the Trust for the sale of the TDR rights in respect of property located at survey No. 44, Erandwane, Pune. The Trust has leased the suit property to AVB which has granted development rights to SDL. The plaintiff has prayed for a declaration that the defendants have no existing legal right to deal with or utilize the FSI in respect of the TDR purchased by it and has prayed for a permanent injunction restraining them from doing so. The plaintiff has also prayed for a declaration that the compromise decree passed in the civil suit (102/2000) granting the TDR rights in relation to the suit property to SDL is illegal and null and void. On an application by AVB (now called KSDL) and SDL the issue of jurisdiction was framed as preliminary issue. The civil judge has stayed the suit by an order dated July 28, 2006 in view of pending writ petitions 5016 and 5017 in the High Court of Bombay. The suit is currently pending and the date of next hearing has been fixed for October 05, 2009.

2. A civil suit (Regular Civil Suit No. 1434 of 2008) has been filed by Mr. Vasant Ragunath Desai and others against AVB (now called KSDL), SDL and the Municipal Corporation of Pune for restraining AVB (now called KSDL) and SDL from dispossessing the plaintiffs from the suit property situated at plot Nos. 125, 124 and 142, which the defendants claim to form a part and parcel of the property bearing survey No. 44, Erandwane, Pune in which AVB (now called KSDL) has leasehold rights. Further, the plaintiff has prayed that AVB (now called KSDL) and SDL be restrained by decree of permanent injunction from changing the nature of the suit properties and that the the Municipal Corporation of Pune be restrained by a permanent injunction from taking any steps towards sanctioning or giving approval to the building plans in respect of the suit properties. The suit is currently pending and the date of hearing has been fixed for September 29, 2009.

3. Two civil suits (Regular Civil Suit No.1611 of 2004 and 764 of 2004) have been filed by Vadar Samaj Co-operative Housing Society ("VSC") in the Court of Civil Judge (Senior Division), against SDL and others. VSC has alleged to have entered into several agreements with the defendants for development of land measuring 133,376 square feet located at survey No. 44/1, Erandawane, Pune. The plaintiff has prayed for a declaration that various agreements executed between the plaintiffs and defendants are binding on the plaintiffs and for the issuance of a mandatory injunction to fulfill the terms of the said agreements. The suits are currently pending. The date of next hearing has been fixed for October 27, 2009.

4. A civil suit (Regular Civil Suit No. 183 of 1999) has been filed by Mr. E.B. Pawar and others in the court of Civil Judge (Senior Division), Pune against PMC and others including SDL praying for a declaration that the commencement certificate dated June 26, 1997 issued by PMC and the construction being carried out by SDL on properties bearing survey No. 44/1/1/1/1, Erandwana, Pune is illegal and has prayed for a permanent injunction restraining SDL and the other defendants from dispossessing the plaintiff from the suit property. The suit is currently pending. The date of next hearing has been fixed for October 03, 2009.

5. A civil suit (No. 72 of 2009) has been filed by Mr. Mohd. Ibrahim Khan in the Maharashtra Wakf Tribunal, Aurangabad against Mr. Dargah of Peer Sayyed Hisamuddin Kattle Zanjani Chistee Alias Thorla Shaikh Salla Dargah, a Public Trust and others including AVB (now called KSDL), SDL and Kumar Builder for declaration that the suit property situated at survey No. 44, Erandwane, Pune belongs to Dargah of Peer Sayyed Hisamuddin Kattle Zanjani Chistee Alias Thorla Shaikh Salla Dargah and is exclusive wakf property. The plaintiff has also prayed for a perpetual injunction against the defendants for restraining them from carrying out any type of construction over the suit property and also from alienating the suit property by creating third

party interest in it. The plaintiff has also filed an application for injunction which has been rejected. The suit is currently pending and the date of next hearing has been fixed for September 29, 2009.

Consumer Complaints

1. An application (Miscellaneous Application No. 9/2004) was filed by Mr. A.T. Ghevade and others before the Consumer Disputes Redressal Forum, Pune against SDL and others including our Promoter, Mr. Lalitkumar Jain. The applicants claim that their names are included in the list of affected residents with respect to property located at survey No. 44, Erandwana, Pune which was declared as a slum rehabilitation area. The applicants prayed for the court to issue a direction to the defendants not to disturb the possession of the applicants and to execute the registered agreements for providing accommodation in a new building pursuant to the redevelopment. By order dated April 12, 2007 the court held that as per Consumer Protection Act, 1986, in order to become a consumer it is necessary to pay consideration and that the complainant cannot be termed as a 'consumer' as per the Consumer Protection Act and the complaint was rejected. Against this order, the complainant filed an appeal (No. 614 of 2007) before the Maharashtra State Consumer Disputes Redressal Commission, Mumbai praying that the impugned order of the Consumer Disputes Redressal Forum be set aside and the appeal was allowed. The matter is currently pending before the competent authority. The date of next hearing has been fixed for December 11, 2009.

2. A complaint (PDF/5 of 2002) has been filed by Mr. Madhav R. Oturkar before the Consumer Disputes Redressal Forum, Pune against SDL and others. The complainant claims to be the tenant of the premise measuring 273 square feet located at Erandawane, Pune and has alleged that the company agreed to handover the possession of 250 square feet in the premise on an ownership basis on or before October 4, 2000, in lieu of complainant relinquishing his tenancy rights in the property. The complainant has prayed for a direction against the defendants to deliver the possession of the property and for compensation of Rs. 81,000 for deficiency in service. Further, the complainant has also prayed the court to direct the opposite parties to pay compensation at Rs. 5,000 per month to the complainant from the date of institution of the complaint till the date of actual delivery of possession by the opposite parties. The Consumer Redressal Forum by order dated April 12, 2007 dismissed the complaint against which the complainant filed appeal before the State Consumer Disputes Redressal Commission, Mumbai. The State Commission by its order dated April 11, 2008 allowed the appeal of the complainant and directed the opponents to deliver the premises admeasuring 250 square feet and pay compensation of Rs. 50,000 besides cost. Against this order, SDL has filed revision petition (No. 3033 of 2008) before the National Commission. The revision petition was dismissed and thereafter execution application (No. 37 of 2008) was filed by the complainant on May 29, 2008 as two cheques of Rs. 50,000 and another for Rs. 5000 were deposited before the forum and a key to the premises were deposited before the forum. Thereafter, a second execution petition (No. 17 of 2009) has been filed by Mr. Oturkar praying that the respondent be dealt with under Section 27 of the Consumer Protection Act, 1986 in as far as the order of the honarable State Commission directing to deliver shop admeasuring 250 square feet has not been complied with for the reasons mentioned in the execution application. The arguments have been filed by both the parties in the said execution petition and the matter is for order. The date of next hearing has been fixed for September 30, 2009.

Cases filed by SDL

1. A criminal case (No. 1842 of 2009) has been filed by SDL against Mr. Tapadia for attempting to grab the land belonging to Thorla Sheik Salla Darga Trust which had been leased to of A.V Bhatt and Company, now SDL. The charge sheet has been filed and the case has been converted into a case by the State of Maharashtra. The case is currently pending and the next date of hearing has been fixed for October 12, 2009.

2. A civil suit (Regular Civil Suit No. 1345 of 2006) has been filed by SDL in the court of Civil Judge (Senior Division) Pune against Mr. Ramachandra Nanabhagtah. The suit is for declaration that the defendants have no rights, title and interest in the property bearing Sy.No. 44, erandwane, Pune and no rights to encroach upon and trespass on the suit property and adjacent opening space admeasuring about 9 acres out of the entire property bearing Sy. No.. 44, erandwane, Pune and to carry out any construction on the property. An injunction has also been prayed for pursuant to which an ex parte injunction order was passed against the defendants restraining them from erecting a compound wall. The suit is currently pending and the next date of hearing has been fixed for September 29, 2009.

3. A petition (Writ Petition No. 5016 of 2005) has been filed by AVB (now called KSDL) and SDL in the High Court of Bombay against the Maharashtra State Board of Wakfs and others praying for the withdrawal and cancellation of the communications issued on May 12, 2005 and June 8, 2005 respectively by the chairman and executive officer of the Maharashtra State Board of Wakfs alleging that the petitioners are carrying on construction work on land located at survey No. 44, Erandwane, Pune without prior permission from the Maharashtra State Board of Wakfs and the Charity Commissioner. The petitioners claim that the prior permission was taken from the Charity Commissioner and since construction activity commenced prior to the establishment of the Maharashtra State Board of Wakfs, there was no need to obtain its permission. The petitioners have prayed for an injunction against the respondents, the Maharashtra State Board of Wakfs and the Additional Collector, Maharashtra State Board of Wakfs, restraining them from interfering with the development work at the site and to issue an injunction against the Municipal Corporation of Pune to not to take congnizance of the communications issued by the Chairman and executive officer of the Wakf Board. The High Court by its order dated October 11, 2005 granted the injunction sought pending final hearing and disposal of the petition. The writ petition is currently pending.

4. Another petition (Writ Petition No. 5017/ 2005) has been filed by AVB (now called KSDL) and SDL in the High Court of Bombay against Maharashtra State Board of Wakfs and others in relation to a dispute concerning the aforementioned land. The petitioners have prayed for the issuance of a writ or order directing the withdrawal and cancellation of the letters dated February 3, 2005 and March 17, 2005 issued by the Maharashtra State Board of Wakfs to the Mutawalli of Thorala Sheikh Dargah, Pune directing the said trust to consider the offer of Mangal Murti Properties for the grant of TDR interest in wakf property located at the disputed site. The petitioners have alleged that Mangal Murti Properties had entered into a memorandum of understanding and obtained a power of attorney in relation to the disputed property by the perpetration of fraud and have prayed for a direction to PMC not to award any TDR for any portion of the suit land in favour of Mangal Murti Properties. The High Court issued an interim order on October 11, 2005 granting a stay against the impugned letters and an injunction against dealing in any manner with TDR in respect of the suit land. The writ petition is currently pending.

Contingent liability as of March 31, 2009

Nil

River View Properties Private Limited ("RVPPL")

Cases filed against RVPPL

Nil

Cases filed by RVPPL

Nil

Contingent liability as of March 31, 2009

Nil

Pune Technopolis Development Private Limited ("PTDPL")

Cases filed against PTDPL

Nil

Cases filed by PTDPL

Nil

Contingent liability as of March 31, 2009

Nil

L.K. Developers Private Limited ("LKDPL")

Cases filed against LKDPL

Nil

Cases filed by LKDPL

Nil

Contingent liability as of March 31, 2009

Nil

Pune Mumbai Realty Private Limited ("PMRPL")

Cases filed against PMRPL

1. A civil suit (Special Civil Suit No.1183 of 09) has been filed by Mr. Eknath Dattu Hagawane and others against PMRPL for cancellation of the sale deed dated April 24, 2006 registered under serial no.4484/2006, at the Office of Sub-Registrar of Assurances, Haveli No.III, Pune, executed by and between the plaintiff and defendant, in respect of plaintiff share in the suit property bearing sy no.15, hissa no.9 situated at Mahalunge, as being illegal and not binding upon the share of the plaintiff. The defendant be directed to hand over the possession of the property to the plaintiff and in the alternative the defendant be directed to pay an amount of Rs.1,603,380 with interest at the rate of 15% from the date of the suit. The suit is currently pending and the next date of hearing has been fixed for September 30, 2009.

Cases filed by PMRPL

1. A civil suit (No.78 of 2009) was filed by PMRPL and KBTVPL against Mr. Deepak Madhukar Bhondve and others in respect of the property bearing Sy.No. 200/1/1, 202, 206/2/2, 214/2, at Hinjawadi, Pune for cancellation of the mutation entry recording the name of Mr. Deepak Bhondve in the revenue records of the said properties. The suit is currently pending.

Nil

Contingent liability as of March 31, 2009

Nil

Khiranagar Development Private Limited ("KDPL")

Cases filed against KDPL

Nil

Cases filed by KDPL

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Builders Township Development Private Limited ("KBTDPL")

Cases filed against KBTDPL

Nil

Cases filed by KBTDPL

Nil

Contingent liability as of March 31, 2009

Nil

Kumar City Club Limited ("KCCL")

Cases filed against KCCL

Nil

Cases filed by KCCL

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Sinew Developers Limited ("KSDL")

Cases filed against KSDL

1. A civil suit (Regular Civil Suit No. 1434 of 2008) has been filed by Mr. Vasant Ragunath Desai and others against AVB (now called KSDL), SDL and the Municipal Corporation of Pune for restraining AVB (now called KSDL) and SDL from dispossessing the plaintiffs from the suit property situated at plot Nos. 125, 124 and 142, which the defendants claim to form a part and parcel of the property bearing survey No. 44, Erandwane, Pune in which AVB (now called KSDL) has leasehold rights. Further, the plaintiff has prayed that AVB and SDL be restrained by decree of permanent injunction from changing the nature of the suit properties and that the the Municipal Corporation of Pune be restrained by a permanent injunction from taking any steps towards

sanctioning or giving approval to the building plans in respect of the suit properties. The suit is currently pending and the date of next hearing has been fixed for September 29, 2009.

2. A civil suit (Special Civil Suit No. 658 of 2006) has been filed by Mangalmurthy Properties in the court of Civil Judge (Senior Division), Pune against Khwaja Peer Sayed Hissamuddin Kattal-E-Zanzani Chisti ("Trust") and others including Kumar Builders, SDL and AVB (now called KSDL). The plaintiff claims to have entered into a memorandum of understanding with the only surviving Mutawalli of the Trust for the sale of the TDR rights in respect of property located at survey No. 44, Erandwane, Pune. The Trust has leased the suit property to AVB (now called KSDL) which has granted development rights to SDL. The plaintiff has prayed for a declaration that the defendants have no existing legal right to deal with or utilize the FSI in respect of the TDR purchased by it and has prayed for a permanent injunction restraining them from doing so. The plaintiff has also prayed for a declaration that the compromise decree passed in the civil suit (102/2000) granting the TDR rights in relation to the suit property to SDL is illegal and null and void. On an application by AVB (now called KSDL) and SDL the issue of jurisdiction was framed as preliminary issue. The civil judge has stayed the suit by an order dated July 28, 2006 in view of pending writ petitions 5016 and 5017 in the High Court of Bombay. The suit is currently pending and the date of next hearing has been fixed for October 05, 2009.

3. A civil suit (No. 72 of 2009) has been filed by Mr. Mohd. Ibrahim Khan in the Maharashtra Wakf Tribunal, Aurangabad against Mr. Dargah of Peer Sayyed Hisamuddin Kattle Zanjani Chistee Alias Thorla Shaikh Salla Dargah, a Public Trust and others including AVB (now called KSDL), SDL and Kumar Builders for declaration that the suit property situated at survey No. 44, Erandwane, Pune belongs to Dargah of Peer Sayyed Hisamuddin Kattle Zanjani Chistee Alias Thorla Shaikh Salla Dargah and is exclusive wakf property. The plaintiff has also prayed for a perpetual injunction against the defendants for restraining them from carrying out any type of construction over the suit property and also from alienating the suit property by creating third party interest in it. The plaintiff has also filed an application for injunction which has been rejected. The suit is currently pending and the date of next hearing has been fixed for September 29, 2009.

Cases filed by Kumar Sinew Developers Limited

1. A petition (Writ Petition No. 5016 of 2005) has been filed by AVB (now called KSDL) and SDL in the High Court of Bombay against the Maharashtra State Board of Wakfs and others praying for the withdrawal and cancellation of the communications issued on May 12, 2005 and June 8, 2005 respectively by the chairman and executive officer of the Maharashtra State Board of Wakfs alleging that the petitioners are carrying on construction work on land located at survey No. 44, Erandwane, Pune without prior permission from the Maharashtra State Board of Wakfs and the Charity Commissioner. The petitioners claim that the prior permission was taken from the Charity Commissioner and since construction activity commenced prior to the establishment of the Maharashtra State Board of Wakfs, there was no need to obtain its permission. The petitioners have prayed for an injunction against the respondents, the Maharashtra State Board of Wakfs and the Additional Collector, Maharashtra State Board of Wakfs, restraining them from interfering with the development work at the site and to issue an injunction against the Municipal Corporation of Pune to not to take congnizance of the communications issued by the Chairman and executive officer of the Wakf Board. The High Court by its order dated October 11, 2005 granted the injunction sought pending final hearing and disposal of the petition. The writ petition is currently pending.

2. Another petition (Writ Petition No. 5017/ 2005) has been filed by AVB (now called KSDL) and SDL in the High Court of Bombay against Maharashtra State Board of Wakfs and others in relation to a dispute concerning the aforementioned land. The petitioners have prayed for the issuance of a writ or order directing the withdrawal and cancellation of the letters dated February 3, 2005 and March 17, 2005 issued by the Maharashtra State Board of Wakfs to the Mutawalli of Thorala Sheikh Dargah, Pune directing the said trust to consider the offer of Mangal Murti

Properties for the grant of TDR interest in wakf property located at the disputed site. The petitioners have alleged that Mangal Murti Properties had entered into a memorandum of understanding and obtained a power of attorney in relation to the disputed property by the perpetration of fraud and have prayed for a direction to PMC not to award any TDR for any portion of the suit land in favour of Mangal Murti Properties. The High Court issued an interim order on October 11, 2005 granting a stay against the impugned letters and an injunction against dealing in any manner with TDR in respect of the suit land. The writ petition is currently pending.

3. A civil suit (Special Civil Suit No. 1345 of 2006) has been filed by AVB (now called KSDL) and SDL in the Court of Civil Judge (Senior Division), Pune against Mr. R.N. Bhagat and others. The plaintiffs allege that defendants have been illegally dumping debris in a part of the property located at survey No. 44, Erandwane, Pune and have prayed for a declaration that the defendants have no right, title or interest of any kind in the suit property. The plaintiffs have also prayed for a permanent injunction restraining the defendants from dumping any material in the suit property. The court issued an order on September 25, 2006 granting an ex-parte injunction restraining the defendants from dumping material in the suit property. The suit is currently pending October 27, 2009.

Contingent liability as of March 31, 2009

Nil

Cases involving entities through which we carry out our development process

I Partnership Firms

K.K. Erectors

Cases filed by or against K.K. Errectors

Nil

Tax Litigation

1. A show cause notice has been issued to K.K. Errectors in May 2007 by the office of the Commissioner of Central Excise calling upon the noticee to show cause under the proviso to sub-section (1) of section 73 of the Finance Act, 1994 as to why the services provided to various clients by the noticee during the period June 16, 2005 to March 31, 2006 should not be treated as taxable services rendered under the category of 'management, maintenance or repair' service as defined under the said Act, and why the notice should not pay interest and penalty for delay of and failure of paying the service tax respectively. The show cause notice also demands payment of Rs. 248,576 as service tax together with interest thereof. In reply to the show cause notice dated July 9, 2007, K.K Errectors has claimed that it is only the collecting and disbursing agents for payments of common maintenance charges and taxes on behalf of the society of flat owners and that by doing so no service of maintenance, management or repairs is as such rendered by K.K. Errectors. Thereafter there has been an order (No. 31/P-III/STC/COMMR/2008) passed by the Commissioner of Central Excise, Pune dated March 31, 2008 arriving at a finding that the noticee is rendering maintenance or repair services which are taxable services and ordering K.K. Errectors to pay a penalty of Rs. 597,310. Pursuant to the said order an application (No. ST/Stay-1137 of 2008 in Appeal ST/138 0f 2008) for stay on the operation of the said order and seeking waiver of the requirement of pre-depositing the service tax was filed by K.K. Errectors and the Central Excise and Service Tax Appellate Tribunal, West Regional Bench at Mumbai, by an order dated September 25, 2008 has granted a stay on the pre-deposit of the tax amount subject to K.K. Errectors depositing an amount of Rs. 25,000. On compliance with the same, the condition of pre-deposit of the balance amount involved in the stay application would be waived and recovery thereof will be stayed till the disposal of the appeal. The appeal is currently pending.

Contingent liability as of March 31, 2009

Nil

Kumar Beheray Rathi ("KBR")

Cases filed against KBR

Nil

Cases filed by KBR

Nil

Tax Litigation

1. An appeal has been filed by KBR against the assessment order dated December 22, 2008 passed by the Assistant Commissioner of Income Tax, Pune for the assessment year 2006-2007 disallowing the deduction under Section 80IB(10) of the Income Tax Act, 1961 with respect to the project Kubera Sankul and assessing the total income to be Rs. 98,651,870 as against a declared income of Rs. 48,995,750. The appeal has been filed on the grounds that the assessing officer erred in disallowing the said deduction. The appeal is currently pending and the next date of hearing has been fixed for October 22, 2009.

2. An appeal (No.ITA No.1072/PN/07) has been filed by KBR before the Income Tax Appellate Tribunal, Pune Bench, Pune against the appellate order dated June 3, 3007 passed by the Commissioner of Income Tax (Appeals)-II, Pune disallowing the appeal (No. PN/CIT(A)-II/!d.4(4)/757/2006-2007) filed by KBR against the assessment order of the Deputy Commissioner of Income Tax, Pune for the assessment year 2003-2004 disallowing deduction under Section 80IB(10) of the Income Tax Act, 1961 with respect to the project Kuber Bahar on the ground that the assessee constructed more commercial premises than permitted in the project Kuber Bahar and the shops were not sanctioned as convenience shopping by PMC and assessing the total income of the assessee at Rs. 51,959,310 as against a declared income of Rs. 26,555,847. The assessee has claimed that the Commissioner of Income Tax erred in rejecting the assessee's claim for the said deduction. The appeal is currently pending.

3. An appeal has been filed by KBR before the Income Tax Appellate Tribunal, Pune Bench, Pune against the appellate order dated July 14, 2009 passed by the Commissioner of Income Tax (Appeals)-II, Pune disallowing the appeal (No. PN/CIT(A)-II/ACIT Circle 4,Pune/1034/2007-2008) filed by KBR against the assessment order of the Deputy Commissioner of Income Tax, Pune for the assessment year 2005-2006 disallowing deduction under Section 80IB(10) of the Income Tax Act, 1961 with respect to the project Kumar Bahar on the ground that the assessee constructed commercial premises in the project Kuber Bahar and the shops were not sanctioned as convenience shopping by PMC and assessing the total income of the assessee at Rs. 451,608 as against a nil declared income. The assessee has claimed that the Commissioner of Income Tax erred in rejecting the assessee's claim for the said deduction. The appeal is currently pending.

4. An appeal (ITA No. 5/PN/07) was filed by KBR before the Income Tax Appellate Tribunal, Special Bench, Pune, against the order of the Commissioner of Income Tax dated October 31, 2006 dismissing the appeal (No.PN/CIT(A)-II/Cir-4/391/2005-06) filed by KBR against the assessment order passed by the Deputy Commissioner of Income Tax for the year 2003-2004 disallowing certain deduction under 80IB(10) of the Income Tax Act, 1961 with respect to the project Kubera Bahar and assessing the total income at Rs. 44,257,774 as against a declared income of Rs. 30,528,341. The Commissioner of Income Tax disallowed the deduction claimed by the appellant under 80IB (10) of the Income Tax Act, 1961 on the ground that the assessee

constructed more commercial premises than permitted in the project Kuber Bahar and the shops were not sanctioned as convenience shopping by PMC against which the appellant preferred the said appeal before the Tax Appellate Tribunal, Special Bench, Pune which by its order dated April 6, 2009 allowed the appeal holding that the deduction under Section 80IB(10) is admissible for housing projects comprising residential housing units and commercial establishments provided the commercial use of the built up area in a project is less than 10%. The matter was posted back to the Division Benches for disposal of the appeal in light of the observations made by the Appellate Tribunal. The matter is currently pending.

5. A show cause notice has been issued to KBR in May 2007 by the office of the Commissioner of Central Excise calling upon the noticee to show cause under the proviso to sub-section (1) of section 73 of the Finance Act, 1994 as to why the services provided to various clients by the noticee during the period June 16, 2005 to March 31, 2006 should not be treated as taxable services rendered under the category of 'management, maintenance or repair' service as defined under the said Act, and why the noticee should not pay interest and penalty for delay of and failure of paying the service tax respectively. The show cause notice also demands payment of service tax of Rs. 1,978,701 together with interest thereof. In reply to the show cause notice dated July 9, 2007, KBR has claimed that it is only the collecting and disbursing agents for payments of common maintenance charges and taxes on behalf of the society of flat owners and that by doing so no service of maintenance, management or repairs is as such rendered by KBR. Thereafter there has been an order passed by the Commissioner of Central Excise, Pune dated March 31, 2008 arriving at a finding that the noticee is rendering maintenance or repair services which are taxable services and ordering KBR to pay a penalty and interest thereof of Rs. 4,472,791. Pursuant to the said order an application (No. ST/Stay-1137 of 2008 in Appeal ST/138 of 2008) for stay on the operation of the said order and seeking waiver of the requirement of pre-depositing the service tax was filed by KBR and the Central Excise and Service Tax Appellate Tribunal, West Regional Bench at Mumbai, by an order dated September 25, 2008 has granted a stay on the pre-deposit of the tax amount subject to KBR depositing an amount of Rs. 200,000. On compliance with the same, the condition of pre-deposit of the balance amount involved in the stay application would be waived and recovery thereof will be stayed till the disposal of the appeal. The appeal is currently pending.

Contingent liability as of March 31, 2009

In Rs. million

Particulars	As at March 31, 2009
Service Tax	4.47
Total	**4.47**

Kumar Sons

Cases filed against Kumar Sons

Nil

Cases filed by Kumar Sons

1. An appeal (No. 1066 of 2004) has been filed by Kumar Sons before the Inspector General of Registration and Chief Revenue Controlling Authority, state of Maharashtra against the Collector of Stamps and Join District Registrar, Pune being aggrieved by the order dated March 31, 2004 passed by the respondent under section 31 of the Bombay Stamp Act, 1958 determining the stamp duty payable by Kumar Sons in respect of an agreement entered into with Jai Thackers Land Development Private Limited dated March 4, 2004 to acquire the right to consume any balance unutilized F.A.R in respect of property being developed at CST 29, 29A and 31, Bund Garden Road, Pune to be Rs. 367,680. Kumar Sons paid the stamp duty under protest and filed the appeal as aforesaid. The matter is currently pending.

Contingent liability as of March 31, 2009

Nil

Kumar Builders

Cases files against Kumar Builders

1. An execution petition (Execution Petition No. 176 of 2003) has been filed by Mr. A.H. Balghare and others in the court of Civil Judge (Junior Division), Pune against Mr. H.S. Balghare and others including Kumar Builders for execution of a decree dated October 31, 2000 issued in Regular Civil Suit No. 1273 of 1990 providing for the partition of land located at survey No. 211 / 1, Lohogaon, Pune in which Kumar Builders have development rights and possession. The decree holders have prayed for partition of their shares in the aforesaid property which is in the possession of Kumar Builders. The execution petition is currently pending. The date of next hearing has been fixed for November 20, 2009.

2. A civil suit (Special Civil Suit No. 928 of 2004) has been filed by Mr. R.B. Kotwal and others in the court of Civil Judge (Senior Division), Pune against Kumar Builders and others. The plaintiffs claim to be in the exclusive possession of the property located at survey No. 9, Hadapasar, Pune and have alleged that the property has been wrongly declared as a slum under the Maharashtra Slum Area Act, 1971. The plaintiffs have prayed that the defendants be perpetually restrained from evicting them from the suit property and developing the property. The suit is currently pending. The date of next hearing has been fixed for November 27, 2009.

3. A civil suit (Regular Civil Suit No. 676 of 2005) was filed by Mr. R.G. Choudhary in the court of Civil Judge (Junior Division), Pune against Mr. D.S. Choudhary and others, including Kumar Builders. The plaintiff claims that the property located at Ekta Nagar, Pashan, Pune is his ancestral property and has prayed for a perpetual injunction restraining the defendants from creating any third party interest and transferring the suit property to Kumar Builders pending partition of the property. The suit is currently pending. The date of next hearing has been fixed for October 07, 2009.

4. A civil suit (Suit No. 215 of 2006) has been filed by Aundh Masjid Trust through Mr. A.M. Pathan in the court of Maharashtra Wakf Tribunal, Aurangabad against Kumar Builders and others including our Promoter, Mr. Lalitkumar Jain for perpetual injunction. The plaintiff claims that it is a wakf according to the Wakf Act, 1995 and land located at survey No. 27, Mouje Pimple Nilakh, Pune has been granted to the plaintiff trust. The plaintiff has alleged that the agreement to sale dated November 24, 2005 entered into between defendants in respect of the suit property is illegal and has prayed for a declaration that the defendants have no legal right to enter into any sort of arrangement with respect to the suit land. The plaintiff has also prayed for a declaration that Kumar Builders and Mr. Lalitkumar Jain have no legal right to develop the suit land and has prayed for a permanent injunction restraining them form creating any third party interest in the suit property. The suit is currently pending. The date of next hearing has been fixed for November 27, 2009.

5. A case (No.68 of 2008) has been filed by Ms. Shahjahan Begum before the Maharashtra Wakf Tribunal, Aurangabad against Aundh Masjid Trust and others including Kumar Builders and our Promoter, Mr. Lalitkumar Jain, for declaration that the property bearing survey No. 27, Pimple Nilakh Taluka, Haveli, Pune District is a wakf property and that the plaintiff is the legal heir of the original trustee of the Aundh Masjid Trust and that the agreement of sale between M/s Kumar Builders and Mr. Jagtap is null and void. The plaintiff has Prayed that injunction be granted against the defendants for restraining them from creating any third party interest in the property or constructing on the property. The matter is currently pending and the date of next hearing has been fixed for November 27, 2009.

6. A civil suit (Special Civil Suit No. 2046 of 2008) has been filed by Mr. Rajendra Dattatray Lonkar in the court of Civil Judge, Senior Division, Pune against Mr. Rajendra Jannardhan Lonkar and others including Kumar Builders for declaration that the defendants including Kumar Builders have no right, title or interest in the property bearing survey No. 37/31, village Kondhuwa Khurd, Taluka Haveli, Pune District and praying for an injunction restraining the defendants from making alterations to the property. Our Company has purchased the suit property from Rajendra Jannardhan Lonkar vide sale deed dated September 2, 2008 but it has not been made a party to the suit and Kumar Builders which has been added as one of the defendants has no privity of contract. The suit is currently pending and the date of next hearing has been fixed for November 30, 2009.

7. A case (No. 86 of 2008) has been filed by Irfan Sheikh before the Maharashtra Wakf Tribunal, Aurangabad against Aundh masjid Trust and others including Kumar Builders and our Promoter, Mr. Lalitkumar Jain for Declaration that the suit property is Wakf property and praying for grant of injunction against Kumar Builders from creating any third party interest in or undertaking any construction activity over the suit land. The matter is currently pending and the date of next hearing has been fixed for November 27, 2009.

8. A civil suit (Special Civil Suit No. 2809 of 2007) has been filed by Mr. D J. Dalal and another in the City Civil Court, Dindoshi against Khiranagar Co-operative Housing Society Limited and others including Kumar Builders for declaration that the notice issued for the inviting tenders with respect to the plot No. 1-2/B, CST No. 1620 (1 to 9) (Part) Survey No. 295 (part) and CTS No. 1621 (1 to 20) (part) survey No. 295-A (part), Santacruz, Vile Parle, Mumbai is bad and illegal and the same be quashed and set aside and that the tenders of the Kumar Builders accepted by Khiranagar Co-operative Housing Society be declared null and void and be set aside. It has also been prayed that the defendants be restrained by a permanent order of injunction from dealing with disposing of and/or creating third party right of whatsoever nature in respect of the suit property. The suit is currently pending and the date of next hearing has been fixed for October 31, 2009.

9. A civil suit (Special Civil Suit No. 4588 of 2006) has been filed by Khira Steel Works Private Limited and others in the City Civil Court, Dindoshi against Khiranagar Housing Society Associate Limited and Kumar Builders for injunction restraining the defendant from representing themselves as the owners of the suit property situated at No. 1-2/B, CST No. 1620 (1 to 9) (Part) Survey No. 295 (part) and CTS No. 1621 (1 to 20) (part) survey No. 295-A (part), Santacruz, Vile Parle, Mumbai and entering into any agreement with any person for the development of property and dealing or disposing or parting with possession of the property in any manner whatsoever. The society has made a statement that with respect of tenders of redevelopment of the property it will not create any third party right in the suit property. The notice of motion is pending for hearing and the date of next hearing has been fixed for November 4, 2009.

10. A civil suit (Special Civil Suit No. 658 of 2006) has been filed by Mangalmurthy Properties in the court of Civil Judge (Senior Division), Pune against Khwaja Peer Sayed Hissamuddin Kattal-E-Zanzani Chisti ("Trust") and others including Kumar Builders, SDL and AVB (now called KSDL). The plaintiff claims to have entered into a memorandum of understanding with the only surviving Mutawalli of the Trust for the sale of the TDR rights in respect of property located at survey No. 44, Erandwane, Pune. The Trust has leased the suit property to AVB (now called KSDL)which has granted development rights to SDL. The plaintiff has prayed for a declaration that the defendants have no existing legal right to deal with or utilize the FSI in respect of the TDR purchased by it and has prayed for a permanent injunction restraining them from doing so. The plaintiff has also prayed for a declaration that the compromise decree passed in the civil suit (102/2000) granting the TDR rights in relation to the suit property to SDL is illegal and null and void. On an application by AVB (now called KSDL) and SDL the issue of jurisdiction was framed as preliminary issue. The civil judge has stayed the suit by an order dated July 28, 2006 in view of pending writ petitions 5016 and 5017 in the High Court of Bombay. The suit is currently pending and the date of next hearing has been fixed for October 05, 2009.

11. A civil suit (Regular Civil Suit No. 1414 of 2005) has been filed by Mr. S.G. Jadhav in the court of the Civil Judge (Junior Division), Pune against Mr. K.T. Jadhav and others including Kumar Builders. The plaintiff, along with certain of the defendant named in the suit, claims to have an undivided share in property located at plot No. 11 and 12 of survey No. 30 / 1A / 2 / 14 / 1 / 2, Vadgaon Sheri, Pune. The plaintiff has alleged that defendants in collusion with the revenue authorities got only their names inserted in the revenue records as owners of the property based on which they subsequently entered into development agreements with Kumar Builder. The plaintiff prayed for a declaration that the agreements executed or to be executed with Kumar Builder are not binding on them and for a permanent injunction restraining Kumar Builder from carrying out any development or construction in the suit property. The suit is currently pending. The date of next hearing has been fixed for November 26, 2009.

12. A civil suit (No. 2746 of 2005) has been filed by Mr. Shaliram Bendale before the Mumbai High Court against Jolly Brothers Private Limited and others including Kumar Builders for specific performance of an agreement dated March 11, 1997 to sell the suit premises. The plaintiff has also prayed for a declaration that the redevelopment agreement with Kumar Builders dated February 10, 2005 is bad in law and does not override the agreement dated March 11, 1997. If specific performance cannot be granted, it has been prayed that court may grant damages to the extent of Rs. 145 million along with interest or alternatively to order Jolly Brothers Private Limited to refund Rs. 2.5 million which was paid as consideration under the agreement to sale dated March 11, 1997. The court refused to grant ad interim reliefs and the notice of motion and the suit is currently pending.

13. A civil suit (Special Civil Suit No. 1378 of 2009) has been filed by Ms. Rajivi Chandrahas Shettigar against Kumar Builders and others for a declaration that she is the occupant of the suit property room No.42, Ganesh Chawl situated at Worli and is entitled for allotment of permanent alternate accommodation. It has been prayed that an order may be passed directing the defendant to issue an allotment letter in the name of the plaintiff for the permanent alternative accommodation and allot the room in the transit accommodation against her room no. 43 in the suit premises situated at Plot No. 1084 of Town Planning Scheme Bombay City No. IV (Mahim Area) S. No. 356, New No. 4094, old S. No. 579 & new S. No. 1682, for temporary alternative accommodation and also pass an order of injunction to restrain the defendants from demolishing the suit premises until issuing allotment letter for permanent alternate accommodation and allotment of temporary alternate accommodation in the transit camp. The suit is currently pending. The date of next hearing has been fixed for 0ctober 5, 2009.

14. A long causes suit (No.1787 of 2009) has been filed by Jairam Megha Dholakiya before the City Civil Court, Bombay against Kumar Builders praying that the court may direct the defendants to issue an allotment letter in the name of plaintiff for the permanent alternative accommodation and provide a permanent alternate accommodation to the plaintiff in the newly constructed redeveloped building. It has also been prayed that an injunction be granted restraining the defendants from dispossessing the plaintiff and his family from the suit property which is Hut No. 3, 158 Ganesh Chawl, Plot No. 1084, TPS No. 4, Century Bazar, Prabhadevei, Mumbai without following due process of law. The plaintiff has further prayed that the defendant be directed to provide alternative transit accommodation to the plaintiff in the transit camp constructed by the defendant. By order dated August 14, 2009 the ad interim relief was refused by the court. The suit is currently pending. The date of next hearing has been fixed for September 25, 2009.

15. A civil suit (Regular Civil Suit No. 756 of 2003) has been filed by Mr. Gisdharlal Motilal Rajore in the court of Civil Judge (Senior Division) at Pune against the State of Maharashtra and others including Kumar Builders in relation to the property bearing Sy.No. 17A/1/3 situated at Wanawadi, Pune claiming to be have tenancy rights in the said lands and praying that an injunction be granted restraining the defendants from disturbing the peaceful possession of the plaintiff without exhausting the due process of law by observing and following the provisions of the Urban Land Ceiling Act, 1976. The suit is currently pending for order.

16. A civil suit (Original Civil Suit No.3566 of 2008) has been filed by the owners of the property bearing sy no.101, 103/2, 104/3, at Singasandra village, Begur Hobli, Bengaluru South in which Kumar Builders is one of the party. The suit is currently pending.

17. A civil suit (Regular Civil Suit No. 1262 of 2007) has been filed in the court of Civil Judge (Senior Division) Pune by Mr. Deepak Mali, secretary of Kumar City Residents Co-operative Housing Society, against KHCL, Kumar Builders, Kumar Builder and Mr. Lalitkumar Jain (as PoA holder of the land owners) in relation to the project developed on the property bearing survey Nos. 13B/1+2+3 (northern portion) and survey No.14 (southern portion), Vadagaonsheri, Pune. The Plaintiff has alleged that the defendant has not provided all the amenities promised to be provided to the purchasers of the Bunglows developed as part of the project. The suit is currently pending and the date of next hearing is on October 12, 2009.

Consumer complaint

1. A consumer complaint (No. 455 of 2003) has been filed by Poonam Palace Co-operative Housing Society before the District Consumer Disputes Redressal Forum, Pune against Kumar Builders and Sainath Cable Network, a service provider for cable television network. It is alleged that the aforesaid service provider has been illegally and without authority using the common areas of the apartment for its business. It has been prayed that Sainath Cable Network be directed to remove al cables, except the cables necessary to give cable television neteowrk service to the members of the complainant society, from the premises of the society. It has been further prayed that Kumar Builders, the developer of the apartment, be restrained from allowing use of the common areas and open spaces to any third party without specific written consent from the society and that a token amount of Rs.5,000/- be awarded from Kumar Builders towards compensation for allowing unauthorised use of the open spaces within the premises of the society. The complaint has been adjourned Sine Die.

Show cause notice issued against Kumar Builders

1. A Notice dated August 28, 2009 has been issued by the Chief Executive Officer, Pune Cantonment Board, Pune, under sub-section 1 of section 248 of the Cantonment Act, 2006 by to Kumar Builders and to the shop owners and occupiers of shop no.29, Big Bazaar, Manager, Fame, Fun-NnShop and to the proprietor of Anchor, shop No. 2, situated at Sy.No. 17/A/1/2 and 17/A/1/3, Fatima Nagar, Pune Cantonment, (Wanowrie), Pune stating that erection / re-erection completed by the developer on the suit property should be demolished and altered within a period of 30 days and that the construction on the aforesaid premises must be stopped forthwith. An appeal has been filed against the said direction under section 340 of the Cantonment Act, 2006 before the appellate authority, Pune Cantonment Board which is inwarded vide inward No. 7726 on September 25, 2009. The matter is pending

Cases filed by Kumar Builders

1. A criminal complaint (Criminal Complaint No. 4535/SS of 2009) has been filed by Kumar Builders before the Metropolitan Magistrate's 33rd court at Ballard Pier, Mumbai against Maple Infraprojects Private Limited, Maple Realtors Private Limited and others. The accused issued 8 cheques that were dishonoured amounting to Rs. 15 million and are guilty of having committed an offence punishable under sections 138 and 141 of the Negotiable Instrument Act. The court by an order dated July 27, 2009 has directed the complainant to obtain and produce certified copy of certificate of incorporation of the accused and the necessary information regarding the directors thereof and has also directed the police station Vile Parle to make necessary investigations on the accused companies. The complaint is currently pending and the date of next hearing has been fixed for October 5, 2009.

Tax Litigation

1. A show cause notice has been issued to Kumar Builders in May, 2007 by the office of the Commissioner of Central Excise calling upon the notice to show cause under the proviso to sub-section (1) of section 73 of the Finance Act, 1994 as to why the services provided to various clients by the noticee during the period June 16, 2005 to March 31, 2006 should not be treated as taxable services rendered under the category of 'management, maintenance or repair' service as defined under the said Act, and why the noticee should not pay interest and penalty for delay of and failure of paying the service tax respectively. The show cause notice also demands payment of Rs. 91,531 as service tax together with interest thereof. In reply to the show cause notice dated July 9, 2007, Kumar Builders has claimed that it is only the collecting and disbursing agents for payments of common maintenance charges and taxes on behalf of the society of flat owners and that by doing so no service of maintenance, management or repairs is as such rendered by Kumar Builders. Thereafter there has been an order (No. 30/P-III/STC/COMMR/2008) passed by the Commissioner of Central Excise, Pune dated March 31, 2008 arriving at a finding that the noticee is rendering maintenance or repair services which are taxable services and ordering KBR to pay a penalty of Rs. 254,529. Pursuant to the said order an application (No. ST/Stay-1137 of 2008 in Appeal ST/138 of 2008) for stay on the operation of the said order and seeking waiver of the requirement of pre-depositing the service tax was filed by Kumar Builders and the Central Excise and Service Tax Appellate Tribunal, West Regional Bench at Mumbai, by an order dated September 25, 2008 has granted a stay on the pre-deposit of the tax amount subject to Kumar Builders depositing an amount of Rs. 9,000. On compliance with the same, the condition of pre-deposit of the balance amount involved in the stay application would be waived and recovery thereof will be stayed till the disposal of the appeal. The appeal is currently pending.

Contingent liability as of March 31, 2009

In Rs. million

Particulars	As at March 31, 2009
Bank guarantee issued for term loan taken by Kushalraj and Kumar Builders Hosur Road Project	9.58
Bank guarantees issued on behalf of the firm	310.00
Claims against the firm not acknowledged as debts in respect of service tax matters	0.84
Deposits given on lien for term loan taken by associates	40.00
Total	**360.42**

Kumar Builders Mumbai

Cases filed against Kumar Builders Mumbai

Nil

Cases filed by Kumar Builders Mumbai

1. A writ petition (W.P. No. 893 of 2009) has been filed by Kumar Builders Mumbai and another in the High Court of Mumbai against the state of Maharashtra and others for issue of Writ of Certiorari calling for the records in the matter of renewal of lease of the suit property situated at CS No. 705 and 706 (part), Byculla (east), Mumbai and in the matter of issuance of occupation certificate in respect of the building known as "Kumar Sophronia" constructed by the petitioners on the suit property and to declare that the action on the part of the Respond No. 3, the Municipal Corporation of Greater Mumbai in wrongfully and without justification withholding the renewal of the lease in respect of the said property is arbitrary, unreasonable and unlawful and their action in charging unreasonable revised lease rent in respect of the said property is also arbitrary and unlawful. It has also been prayed that the respondent no. 3 is wrongfully and without justification withholding the grant of occupation certificate in respect of the residential property "Kumar Sophronia". It has been prayed that a writ of mandamus be issued directing the respondent to revise the renewed lease rents. It has been prayed that pending the hearing and final disposal of the writ petition, the respondent No.3 be directed to continue to charge the old lease rents in respect of

the said property and be restrained from demanding the renewed lease rents. The suit is currently pending.

2. A civil suit (Suit No.64/77 of 2005) has been filed by Kumar Builders Mumbai in the Small Causes Court, Bombay against Bharat Petroleum Corporation Limited ("BPCL"). The plaintiff has prayed that the defendant be ordered to handover vacant and peaceful possession of the suit premise located at plot No. 3, city survey No. 705 and 706, Mazgaon, Mumbai and they be restrained from demolishing the existing structure and from carrying out any construction work on the suit premise. The suit is currently pending. The date of next hearing has been fixed for October 15, 2009.

Contingent liability as of March 31, 2009

Nil

Kumar Builders Township Ventures

Cases filed against Kumar Builders Township Ventures

Nil

Cases filed by Kumar Builders Township Ventures

Nil

Contingent liability as of March 31, 2009

Nil

Techno Lifestyle Development Corporation

Cases filed against Techno Lifestyle Development Corporation

Nil

Cases filed by Techno Lifestyle Development Corporation

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Builders Consortium

Cases filed against Kumar Builders Consortium

Nil

Cases filed by Kumar Builders Consortium

Nil

Contingent liability as of March 31, 2009

Nil

Omved Turnkey Project Developers

Cases filed against Omved Turnkey Project Developers

Nil

Cases filed by Omved Turnkey Project Developers

Nil

Contingent liability as of March 31, 2009

Nil

K. G. Ventures

Cases filed against K. G. Ventures

1. A civil suit (Special Civil Suit No. 32 of 2008) has been filed in the court of the Civil Judge (Senior Division), Pune by Mr. Somnath Gajanan Jadhav against Mr. Kundlik Tukaram Jadhav and Others including G.H.Developers Private Limited, K.G. Ventures and KHCL. This is a suit for partition and declaration with respect to properties bearing (i) Gat No. 272 and 277, situated at Village Vadgaonsheri Taluka Haveli, Pune District (ii) Bakhal properties situated at Village Fulgaon, Taluka Haveli, Pune District bearing Gram Panchayat property No.3, Gaothan Bakhal property bearing plot No.4, bakhal land bearing Gram Panchayat property No. 5,6,11 and 12 (iii) survey No. 30 hissa No. 1A/2/14/1/2 (iv) survey No. 29/1/3/8, 1/1A/1/1, 1/1/1/2 situated at Vadgaonsheri, Taluka Haveli, Pune District. Plaintiff has alleged that he has undivided share in the suit property and that the defendants have unlawfully executed and registered a development agreement with respect to the suit properties in favour of G. H. Developers. Plaintiff has prayed for a decree of partition and a declaration that the development agreement in respect of the suit property is illegal. The plaintiff has also filed an application for temporary injunction against the defendants praying that pending hearing and final decision of the suit, the defendants and their agents may be restrained from carrying on any construction in the suit lands or developing or alienating the suit lands. The suit and the application are pending and the date of next hearing has been fixed for October 12, 2009.

Cases filed by K. G. Ventures

Nil

Contingent liability as of March 31, 2009

Nil

II ***Association of persons***

Kumar Urbana

Cases filed against Kumar Urbana

Nil

Cases filed by Kumar Urbana

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Santosh

Cases filed against Kumar Santosh

Nil

Cases filed by Kumar Santosh

Nil

Contingent liability as of March 31, 2009

Nil

Suryodaya Estates

Cases filed against Suryodaya Estates

Nil

Cases filed by Suyodaya Estates

Nil

Contingent liability as of March 31, 2009

Nil

Cases involving our Promoters

Mr. Lalitkumar Jain

Cases filed against Mr. Lalitkumar Jain

Criminal Cases

1. A criminal case (Criminal Case No. 407/2004) has been filed by employee's State Insurance Corporation ("ESIC") in the court of Judicial Magistrate (First Class), against Mr. Lalitkumar Jain in his capacity as a partner of Kumar and Company and others. It is alleged that the partners committed an offence under Section 85(e) of the Employee State Insurance Act, 1948 ("Act") by not submitting the returns of contributions in relation to his establishment under Regulation 26 (1) (a) of the Employees' State Insurance (General) Regulations, 1950. The complainant has prayed for the issue of process under section 85 (e) of the Act and has also prayed that any fine imposed upon the accused should be awarded to the ESIC. Mr. Lalitkumar Jain has, however, retired from the partnership firm in from April 1999. The complaint is currently pending. The date of next hearing has been fixed for November 27, 2009.

2. A criminal complaint (Regular Criminal Complaint No. 2127 of 2006) has been filed by Mr. P.K. Tiwatne in the court of Judicial Magistrate (First Class), Pune against Kumar Beharay Rathi and others including Mr. Lalitkumar Jain. The complainant claims that he purchased a flat with a

parking facility in Kubera Bahar building located at survey No. 131/2 Pashan, Pune. The complainant has alleged that the parking facility had already been sold due to which he executed an exchange deed with the accused for allotment of a different parking space. The complainant has alleged that he has not been provided with copy of the exchange deed and that the document has not been registered. It is further alleged that the accused had the intention to cheat and has committed breach of trust. The complainant has prayed that the accused be tried and punished for offences under Sections 4 and 13 of the Maharashtra Ownership Flats Act, 1963 and Sections 383, 406 and 420 of the Indian Penal Code; 1860 for offences amongst others relating to cheating. The complaint is currently pending. The date of next hearing has been fixed for December 22, 2009. In relation to the aforesaid case, Kumar Beharay Rathi has filed a complaint in the court of Judicial Magistrate (First Class), Pune (Regular Criminal Complaint No.4419 of 2003) against the complainant under section 138 of the Negotiable Instruments Act, 1881 alleging that the complainant has stopped payment of a cheque with respect to a sum of Rs. 57,830 payable for interior works undertaken. The complaint was dismissed for non appearance and Kumar Berahay Rathi had filed a revision application before the District Court, Pune, which was dismissed on the ground that no revision lie to the District Court against the order of dismissal for non-appearance and hence an appeal has been filed in the High Court of Bombay against the said order. The criminal complaint and the appeal are currently pending.

3. Three criminal revision petitions (Nos. 29, 30 and 31 of 2009) have been filed by Mr. Ashoklal Chandmal , Mr. Rasiklal Chandmal Bora and Mr. Ajay Vasantlal Bora respectively in the Sessions court Pune against KHCL, Mr. Lalitkumar Jain and others against the orders passed by the Chief Judicial Magistrate Pune dismissing the complaints (Nos. 71, 72 and 73 of 2003) filed by the complainants against the respondents. The complainants have prayed that the said orders passed by the Judicial Magistrate dismissing the complaints and discharging the accused be set aside and the complaints be revived. The complaints are currently pending and the next date of hearing is fixed for October 12, 2009.

Civil suits

Our Promoter, Lalitkumar Jain has been made a party to two civil suits filed against our Company, four civil suits filed against KHCL, one consumer complaint filed against SDL and three civil suits filed against Kumar Builders, which have been discussed above.

1. A civil suit (Special Civil Suit No.1293 of 2004) has been filed by Mr. Jaysingh Bhagwan Chandere and others against Pushpalata Ramdas Tamhane and others including Mr. Lalitkumar in the Court of Civil Judge (Senior Division) Pune for declaration and injunction that the suit property being 1/4th share in the land bearing Survey No.176, admeasuring 11 H. 46 R., Sus, Pune which is in possession of the Plaintiff. In respect of the same the Defendants shall not commit any act of omission and / or shall not commit any encumbrance and shall not change the nature of the suit property. Further, it has been prayed that a declaration be made stating that the sale deed dated October 18, 1995, registered under Serial No.3397/1995 at the office of Sub-Registrar, Mulashi, Paud, Pune executed between the defendants is illegal and hence be cancelled. The said suit is currently pending and the date of next hearing has been fixed October 12, 2009.

2. A civil suit (RTS No.983 of 2007) has been filed by Mr. Al Hamid Daruwalla & others against Mr. Lalitkumar Jain, in the Court of Civil Judge (Senior Division) Pune for declaration and permanent Injunction prays directing the defendant to forthwith remove the generator from the place where it has been installed on the stilt of the building named Kumar Business Centre owned by Kumar Sons located at CTS No. 29, Bund Garden Road, Pune and to stop the use of generators till they are removed permanently from the premises. The suit is currently pending and the date of next hearing has been fixed for November 9, 2009.

3. A civil suit (Special Civil Suit No.1293 of 2004) has been filed by Mr. Jaysingh Bhagwan Chandere and others in the Court of Civil Judge (Senior Division), Pune against Pushpalata Ramdas Tamhane and others including Mr. Lalitkumar Jain for declaration and injunction that the

suit property being 1/4th share in the land bearing Survey No.176, Sus, Pune which is in possession of the plaintiff. In respect of the same the defendants shall not commit any act of omission and/or shall not commit any encumbrance and shall not change the nature of the suit property. Further, it has been prayed that a declaration that the sale deed dated October 18, 1995 registered under Serial No.3397/1995, at the Office of Sub-Registrar, Mulashi, Paud, Pune, executed between the defendants is illegal and hence be cancelled. The suit is currently pending for hearing.

4. A civil suit (Special Civil Suit No. 1165 of 1995) has been filed by Mr. U.B. Gaur in the court of the Civil Judge (Senior Division), Pune (now transferred to court of Additional Judge, Small Causes Court) against Mr. Lalitkumar Jain and others including Sukumar Estates Private Limited seeking a permanent injunction against disturbing his possession of property measuring 20,902 square feet located at House No.2409, East Street, Pune. The plaintiff has alleged that the defendant had attempted to dispossess him of the suit property over which he claims tenancy rights. Mr. Lalitkumar Jain has filed his written statement to the plaint. The matter is currently pending. The date of next hearing has been fixed for September 29, 2009.

5. A civil suit (Suit No. 215 of 2006) has been filed by Aundh Masjid Trust through Mr. A.M. Pathan in the court of Maharashtra Wakf Tribunal, Aurangabad against Kumar Builders and others including our Promoter, Mr. Lalitkumar Jain for perpetual injunction. The plaintiff claims that it is a Wakf according to the Wakf Act, 1995 and land located at survey No. 27, Mouje Pimple Nilakh, Pune has been granted to the plaintiff trust. The plaintiff has alleged that the agreement to sale dated November 24, 2005 entered into between defendants in respect of the suit property is illegal and has prayed for a declaration that the defendants have no legal right to enter into any sort of arrangement with respect to the suit land. The plaintiff has also prayed for a declaration that Kumar Builders and Mr. Lalitkumar Jain have no legal right to develop the suit land and has prayed for a permanent injunction restraining them form creating any third party interest in the suit property. The suit is currently pending. The date of next hearing has been fixed for November 27, 2009.

6. An application (Miscellaneous Application No. 9 of 2004) was filed by Mr. A.T. Ghevade and others before the Consumer Disputes Redressal Forum, Pune against SDL and others including our Promoter Mr. Lalitkumar Jain. The applicants claim that their names are included in the list of affected residents with respect to property located at survey No. 44, Erandwana, Pune which was declared as a slum rehabilitation area. The applicants prayed the court to issue a direction to the defendants not to disturb the possession of the applicants and to execute the registered agreements for providing accommodation in a new building pursuant to the redevelopment. By order dated April 12, 2007 the court held that as per Consumer Protection Act, 1986 the complainant cannot be termed as a ‘consumer’ and the complaint was rejected. Against this order, the complainant filed an appeal (No. 614 of 2007) before the Maharashtra State Consumer Disputes Redressal Commission, Mumbai praying that the impugned order of the Consumer Disputes Redressal Forum and the appeal was allowed. The matter is currently pending before the competent authority. The date of next hearing has been fixed for December 11, 2009.

Cases filed by Mr. Lalitkumar Jain

Civil Suits

1. A civil suit (Regular Civil Suit No. 1166/95) has been filed by Mr. Lalitkumar Jain in the Court of Civil Judge (Senior Division), Pune (transferred to the court of Additional Judge, Small Cases Court) against Ms. Leela Gaur and others seeking permanent injunction against disturbing his possession of the suit property which comprises of the first floor of the building located at House No.2409, East Street, Pune. The suit is currently pending. The date of next hearing has been fixed for September 29, 2009.

2. A civil suit (Special Civil Suit No. 346 of 1995) has been filed by Mr. Lalitkumar Jain in the court of Civil Judge, (Senior Division), Pune against Ms. M. T. Gandhi and others for the specific performance of an agreement dated October 15, 1994 entered into by the plaintiff with the attorney of the defendant with respect to the sale of property located at Bungalow No. 5, Queen's Garden Road, Pune. It has been further prayed by the plaintiff that the defendants be directed to execute the sale deed with respect to the suit property in favour of the plaintiff and if he fails to do the same, then a court commissioner be appointed to execute the sale deed in favour of the plaintiff. The suit is currently pending. The date of next hearing has been fixed for November 27, 2009.

3. A civil suit (Special Civil Suit No. 1549 of 1994) has been filed by Mr. Lalitkumar Jain in the court of Civil Judge (Senior Division), Pune against Ms. Y.B. Balghare and others for specific performance of an agreement entered into on July 18, 1988 with respect to property located at survey No. 211 / 1, village Lohogaon, Pune, and praying that the defendants be made to execute a sale deed in favour of the plaintiff with respect to their undivided shares in the suit property. Further, it has been prayed that if the defendants do not execute the sale deed as aforesaid, then a court Commissioner may be executed for execution of the sale deed in favour of the plaintiff and that the defendants be directed to make a declaration before the competent authority for the land which they are eligible to hold as per the provisions of the Land Ceiling Act, 1976. In the alternative, the plaintiff has prayed for a compensation of Rs. 2,500,000. The suit is currently pending for final hearing and the date of hearing has been fixed for October 6, 2009.

4. A civil suit (R.A.E. Suit No. 287/1103 of 1980) was filed by Ms. D.K. Mehta and others in the Small Cause Court, Mumbai against Mr. Shavek Meherji and others for recovery of vacant and peaceful possession of property located at 4A, Kewal Mahal, Marine Lines, Mumbai on the ground of bona fide requirements. The court by its order dated August 10, 2000 decreed the suit in favour of the plaintiff against which Mr. Shavak Meherji filed an appeal (Appeal No. 202 of 2002) in the Small Cause Court. The defendant had appointed Mr. Prataprai Kothari as caretaker of the suit property by a leave and license agreement dated February 20, 1995. Ms. Kaumudi Prataprai (wife of Mr. Prataprai Kothari) had applied to the court praying that she along with Mr. Lalitkumar Jain, who are in the occupation of the suit property, be made parties to the appeal. The application was allowed and against this order the plaintiffs filed Writ Petition No. 3384 of 2009 in the High Court of Mumbai. The High Court by its order dated April 24, 2009 has stayed the operation of the order for joining Mr. Lalitkumar Jain as a party. The appeal and the writ petition are currently pending and the date of next hearing has been fixed for September 25, 2009.

5. Writ petition (No. 201 of 2008) has been filed by Mr. Lalitkumar Jain as power of attorney holder of Mr. Shirish Rupchand Dharmawat and others in the High Court of Bombay against the state of Maharashtra and others praying for a writ of mandamus to be issued to cancel the order passed by the respondents in purported exercise of power under section 34 of the Urban Land (C&R) Act, 1976 in respect of the property bearing sy no. 30 hissa no. 2B/2, 7, sy no. 31, hissa no.3, village Kondhva Budruk, Pune. The order declared the suit property as vacant land and directed that a scheme of construction of buildings for economically weaker sections as per section 20 of the said Act be sanctioned and all formalities be completed within 8 days failing which the petitioners shall pay the present market value of the suit property. The Bombay high Court has by its order dated January 14, 2008, stayed the execution/implementation and effect of the impugned order. The matter is currently for order.

Criminal cases

1. A criminal case (No. 2579 of 2009) has been filed by Mr. Lalitkumar Jain in the court of the Judicial Magistrate (First Class) Court, Pune against Ms. Leena Kaulgekar and Kiran Wani under sections 499, 500 and 501 of the Indian Penal Code, 1908 for preparing a defamatory SMS and circulating it thus causing loss to business and affecting our customer base. The said matter is pending or appearance of complaint along with original document and the next date of hearing has been fixed for October 6, 2009.

Tax Litigation

1. An appeal (Appeal No. PN/CIT(A)-II/ACIT Cir.4, PN/727/08-09) was filed by Mr. Lalitkumar Jain before the Commissioner of Income Tax (Appeals) against the assessment order for the year 2006-2007 assessing his income to be Rs. 47,573,080 as against a return of income filed by him declaring a total income of Rs. 22,423,825 and demanding payment of income tax of Rs. 10,468,100. The Commissioner of Income Tax (Appeals) passed an order dated June 18, 2009 dismissing the appeal. Mr. Lalitkumar Jain is in the process of filing an appeal before the Income Tax Appellate Tribunal, Pune against the order of the Commissioner of Income Tax.

Lalitkumar Jain HUF

Cases filed against Lalitkumar Jain HUF

Nil

Cases filed by Lalitkumar Jain HUF

Nil

Krutikumar Realty Holdings Private Limited

Cases filed against Kruti Kumar Realty Holdings Private Limited

Nil

Cases filed by Kruti Kumar Realty Holdings Private Limited

Nil

Sukumar Housing and Finance Private Limited

Cases filed against Sukumar Housing and Finance Private Limited

Nil

Cases filed by Sukumar Housing and Finance Private Limited

Nil

Cases involving Group entities

Group Companies

Kumar Horticulture Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Sukumar e-Commerce Limited

Nil

Contingent liability as of March 31, 2009

Nil

Symphony Club Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Sukumar Machines And Constructions Private Limited

Cases filed against Sukumar Machines and Constructions Private Limited

Criminal cases

1. A criminal compliant (Criminal Case No. 30 of 1993) has been filed by Lt. General R.D.Hira in the court of Judicial Magistrate (First Class), Pune against Dongursee Machines and Construction Private Limited (now known as Sukumar Machines and Constructions Private Limited) and its then existing directors Mr. Deepak Dongursee under Sections 406 and 420 of the Indian Penal Code, 1860 and under Sections 13 (1) and 13 (2) of the Maharashtra Ownership Flats Act, 1963. The complainant has alleged that the accused company failed to honour its obligations including the establishment of a co-operative society and providing various amenities under the agreement to sale dated March 25, 1984 entered into with the plaintiff for purchase of a flat at plot No. 260-1, CTS 22, Bund Garden, Pune. A non-bailable warrant has been issued against the directors named in the complaint on March 22, 2006. These individuals are however no longer associated with Sukumar Machines and Constructions Private Limited. The complaint is currently pending and the date of next hearing has been fixed for October 31, 2009.

Cases filed by Sukumar Machines and Constructions Private Limited

1. A civil suit (Special Civil Suit No.1342 of 1998) has been filed by Sukumar Machines & Constructions Private Limited in the Court of Civil Judge, Senior Division, Pune at Pune against Dongursee Machines & Constructions Private Limited, for declaration that the Plaintiff is entitled to complete the development work on the property, bearing City Survey No.19, 22, Garden Road, Pune – 411 001 is also entitled to consume the balance F. S. I., additional F. S. I. and the T. D. R. in the said property, including to develop the portion of 303. 03 sq. mtrs. exempted by the Urban land (C & R) Authorities and described in Schedule B. The suit is currently pending for hearing.

Contingent liability as of March 31, 2009

Nil

Ketki Properties & Estates Private Limited

Cases filed against Ketki Properties & Estates Private Limited

1. A civil suit (Regular Civil Suit No.739 of 2001) was filed by Narmada Estates Private Limited in the Court of Civil Judge, Senior Division, Pune against Mr. Thanmal Khumaji Sanghvi & others including our Company and Ketki Properties and Estates Private Limited praying for permanent injunction restraining the defendants from using the suit road. The suit is currently pending for hearing.

2. A petition for Special Leave ((Civil) No.7290 of 2006) has been filed by the State of Maharashtra and 4 others against Narmada Estates Private Limited and others including our Company and Ketki Properties and Estates Private Limited, praying that the petitioner be granted Special Leave to Appeal under Article 136 of the Constitution of India against the impugned judgment and final order dated February 17, 2005 in Writ Petition No.2206 of 2004 passed by the High Court of Judicature at Bombay and to grant ex-parte stay to the execution and operation of said impugned judgment and final Order in Writ Petition No.2206 of 2004. The suit is currently pending and the next hearing has been fixed for October 14, 2009

Nil

Contingent liability as of March 31, 2009

Nil

Pune Urban Estates Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Sublime Infrastructure Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Kumar e-Commerce Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Orange City Infrastructure Development Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

L.K. Urban Development Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Pune Rehabilitation Private Limited

Nil

Contingent liability as of March 31, 2009

Nil

Cases involving the partnership firms forming part of the group

Avi Constructions

1. A civil suit (Special Civil Suit No.1208 of 2005) has been filed by Mr. Gangaram Pandurang Mundekar against Desai Promoters & Others including AVI Constructions in the Court of Civil Judge (Senior Division) Pune for declaration that the agreement dated September 22, 1987 and power of attorney dated December 15, 1987 executed by plaintiff in favour of Desai Promoters, and Mr. Dhairyashil Dhirubhai Desai, stand revoked, cancelled, invalid and barred by limitation. It has been prayed that the defendant be directed to remove all structures constructed at their own cost and $1/18^{th}$ undivided share of the plaintiff in the suit property be separated and given in possession of the plaintiff. Further, it has been prayed that the defendants be restrained from creating third party right or from carrying out any construction. The suit is currently pending and the date of next hearing has been fixed for October 7, 2009.

Oswal Nibjiya Mutha Associates

Cases filed against Oswal Bibjiya Mutha Associates

Nil

Cases filed by Oswal Nibjiya Mutha Associates

Civil suits

1. A civil suit (No.135 of 2006) has been filed by Oswal Nibjiya Mutha Associates against Mr. Dattatraraya C. Devkar and another in the Court of Small Causes Judge, Pune for eviction. The plaintiff has prayed that the defendants be ordered and decreed to handover possession of the suit premises to the plaintiff and that the defendants be restrained from creating third party interests in the property. The suit is currently pending and the date of next hearing has been fixed for October 15, 2009.

2. A civil suit (No.136 of 2006) has been filed by Oswal Nibjiya Mutha Associates against Mr. Deepak Damjibhai Mistry & Others in the Court of Small Causes Judge, Pune for eviction. The plaintiff has prayed that the defendants be ordered and decreed to handover possession of the suit premises to the plaintiff and that the defendants be restrained from creating third party interests in the property. The suit is currently pending and the date of next hearing has been fixed for October 15, 2009.

Contingent liability as of March 31, 2009

Nil

Sadashiv Development

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Developers

Cases filed against Kumar Developers

1. A civil suit (Original Suit No. 3566 of 2008) has been filed by Ms. Manjula and others before City Civil Court, Bengaluru against Ms. Kushal Raj and others including Kumar Developers praying for injunction restraining the developer from carrying out any construction activities on the basis of the documents entered into between the defendants so as to create multiplicity over the scheduled properties bearing sy no.104/3, 103/2, and 101 situated at Singasanandra Village, Begur Hobli, Bengaluru South or in any way entering into any kind of further agreements with prospective purchasers and to induct them on to the suit properties or any portion thereof. The matter is currently pending.

Cases filed by Kumar Developers

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Estates

Nil

Contingent liability as of March 31, 2009

Nil

Cases involving associations of persons forming part of our Group Companies

K .K Bazaar

Nil

Contingent liability as of March 31, 2009

Nil

Kumar Atman

Nil

Contingent liability as of March 31, 2009

Nil

Cases involving the proprietary concern of our Promoter

Kumar Builder

1. A civil suit (RCS No. 1036 of 2009) has been filed by Ms. Sulochana Krishna Phuge and others against Mr. Laxman Krishna Nimhan and others including Kumar Builder in the Court of Civil Judge (Senior Division) for the separation of the shares of the plaintiffs in the suit property

situated at Pashan bearing sy. No. 130/3 and for giving appropriate directions to the Collector for compliance of the order under Section 54 of the Civil Procedure Code 1908. The plaintiff has also prayed for a declaration that the sale deed dated August 20, 2008 and the development agreement dated April 1, 2004 are not binding with respect to the share of the plaintiffs in suit property and also an injunction restraining the defendants from creating third party rights or from creating any encumbrance or changing the character of the suit property. The suit is currently pending and the date of next hearing has been fixed for September 30, 2009.

There are three civil suits (No. 72 of 2009, No. 333 of 2001) in which Kumar Builder has been included as a defendant and the same have been discussed above under *cases filed against KSDL* and *cases filed against KHCL* respectively. Further, in Regular Civil Suit No. 1262 of 2007, discussed under *cases filed against KHCL*, Kumar Builder has also been included as a defendant.

Tax litigation

1. A show cause notice has been issued to Kumar Builder on May, 2007 by the office of the Commissioner of Central Excise calling upon the noticee to show cause under the proviso to sub-section (1) of section 73 of the Finance Act, 1994 as to why the services provided to various clients by the noticee during the period June 16, 2005 to March 31, 2006 should not be treated as taxable services rendered under the category of 'management, maintenance or repair' service as defined under the said Act, and why the noticee should not pay interest and penalty for delay of and failure of paying the service tax respectively. The show cause notice also demands payment of Rs. 1,586,646 as service tax together. In reply to the show cause notice dated July 9, 2007, Kumar Builder has claimed that it is only the collecting and disbursing agents for payments of common maintenance charges and taxes on behalf of the society of flat owners and that by doing so no service of maintenance, management or repairs is as such rendered by Kumar Builder. Thereafter there has been an order (No.31/P-III/STC/COMMR/2008) passed by the Commissioner of Central Excise, Pune dated March 31, 2008 arriving at a finding that the noticee is rendering maintenance or repair services which are taxable services and ordering Kumar Builder to pay a penalty and interest thereof of Rs.3,594,588. Pursuant to the said order, an application (No. ST/Stay-1138 of 2008 in Appeal ST/139 of 2008) for stay on the operation of the said order and seeking waiver of the requirement of pre-depositing the service tax was filed by Kumar Builder and the Central Excise and Service Tax Appellate Tribunal, West Regional Bench at Mumbai, by an order dated September 25, 2008 has granted a stay on the pre-deposit of the tax amount subject to Kumar Builder depositing an amount of Rs.160,000. On compliance with the same, the condition of pre-deposit of the balance amount involved in the stay application would be waived and recovery thereof will be stayed till the disposal of the appeal. The appeal is currently pending.

Cases involving Trusts that form part of our Group

Kruti Family Trust

Nil

Cases involving our Directors

Mr. Lalitkumar Jain

See "cases involving our Promoters" on page 316.

Mr. Gaurav Dalmia

Cases filed against Mr. Gaurav Dalmia

Nil

Cases filed by Mr. Gaurav Dalmia

Nil

Mr. Shailesh Hingarh

Cases filed against Mr. Shailesh Hingarh

Nil

Cases filed by Mr. Shailesh Hingarh

Nil

Mr. Kishore Laxminarayan Biyani

Cases filed against Mr. Kishore Laxminarayan Biyani

Criminal cases

1. Four criminal cases (Nos. 41 to 44 of 2008) have been filed by the Local Health Authority, Municipal Corporation of Ranchi before the Chief Judicial Magistrate, Ranchi against Mr. Kishore Biyani and another, in relation to adulteration and misbranding of food items namely "Toordal", "Chana Dal", "Chana Besan" and "Chana Sattu". The samples of the said food items collected by the Municipal Corporation from Big Bazaar at Ranchi were found to be adulterated and misbranded as opposed to the requirements of the Prevention of Food Adulteration Rules, 1955. It has been alleged that an offence under section 16 of the Prevention of Food Adulteration Act, 1954 has been committed. The matter is currently pending.

2. Two criminal cases (Nos. 20668 of 2008 and No. 28669 of 2008) have been filed by the Local Health Authority, Municipal Corporation of Indore against Mr. Kishore Biyani and other directors of PRIL. The sample of the product namely "N-Joi", seized by the Municipal Corporation of Indore, from the PRIL's store was found to contain a synthetic food colour "ponceau 4R", on a test conducted by the public analyst. There was no declaration on the label of the sample pack to this effect and hence it has been alleged that there has been a violation of Rule 24 and proviso (b) of Rule 32 of the Prevention of Food Adulteration Rules, 1955. It is also alleged that the said product and one another product i.e. biscuits were adulterated and misbranded as per the Prevention of Food Adulteration Act, 1954. PRIL has filed a criminal miscellaneous petition before the Madhya Pradesh High Court, Indore Bench under section 482 of Criminal Procedure Code, 1973 for quashing the complaint and the High Court has granted exemption to all the directors of PRIL till the final disposal of the case in the lower court, by an order dated 29th March 2009. The matter is currently pending.

3. A case (No. 220 of 2007) has been filed by the Municipal Authority of Delhi before the Metropolitan Magistrate, Karkardooma, New Delhi, against PRIL and its directors including Mr. Kishore Biyani in relation to carrying on business at the Food Bazaar at Rohini Delhi without the health trade license. PRIL has stated that the application for grant of the said license was made to Municipal Corporation of Delhi and business was commenced pending issuance of the same. PRIL has challenged the proceeding before the Sessions Court, Delhi. The matter is currently pending.

4. Two criminal cases (No. 4557 of 2008 and No. 4556 of 2008) have been filed by the Local Health Authority, Municipal Corporation of Kamrup, Guwahati before the Chief Judicial Magistrate, Kamrup, Guwahati against the directors of PRIL including Mr. Kishore Biyani, in relation to adulteration of food products. The matters are currently pending.

5. A complaint (CC No. 5769/SS of 2007) before the Chief Metropolitan Magistrate, Ballard Pier against Orchid City Centre Mall, Mumbai Central, Mr. Kishore Biyani, Mr. Gopikishan Biyani, Mr. Rakesh Biyani, and Mr. Shirish Mishra alleging violation of the provisions of the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981. It has been alleged that as the PRIL employs security agents through a security agency, it falls under the category of 'Principal Employer' and hence has to register under the said Act. The matter is currently pending.

6. A criminal case (No. 2357 of 2009) has been filed by the Local Health Authority, Ahmedabad Municipal Corporation before the 6th Court of the Metropolitan Magistrate, Ahmedabad against Mr. Anil S. Kaltari, PRIL Mr. Kishore Biyani, Mr. Ghanshyam Biyano and Mr. Sandip Modi in the capacity of Directors of the Company, ion respect of a product supplied at the Company's retail outlet at Ahmedabad. The public analyst allegedly found the product to be misbranded as it did not conform to the standards and provisions of the rules 32 (b) and (e) of the Prevention of Food Adulteration Rules, 1955 and it was misbranded as per section 2 (ix) (k) of the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

7. A criminal case (No. 2357 of 2009) has been filed by the Local Health Authority, Ahmedabad Municipal Corporation before the 6th Court of the Metropolitan Magistrate, Ahmedabad against PRIL, Mr. Anil S. Kaltari, Mr. Kishore Biyani, Mr. Ghanshyam Biyani and Mr. Sandip Modi in the capacity of Directors of the Company, in respect of a product supplied at the Company's retail outlet at Ahmedabad. The public analyst allegedly found the product to be misbranded as it did not conform to the standards and provisions of the rules 32 (b) and (e) of Prevention of Food Adulteration Rules, 1955 and it was misbranded as per section 2 (ix) (k) of the Prevention of Food Adulteration Act, 1954. The matter is currently pending.

Civil cases

1. A case (No. 926 of 2006) has been filed by the Food and Drugs Administration Department, Thane before the Magistrate's Court, Belapur against PRIL and Mr. Kishore Biyani, under the Prevention of Food Adulteration Act, 1954 for alleged adulteration in the product sold by the PRIL. The matter is currently pending.

2. Three complaints have been filed by the Security Guard Board for Greater Mumbai and Thane before the Chief Metropolitan Magistrate, Ballard Pier against Mr. Kishore Biyani and others alleging violation of the provisions of the Maharashtra Private Security Guards (Regulation of Employment & Welfare) Act, 1981. It has been alleged that as PRIL employs security agents through a security agency, it falls under the category of 'Principal Employer' and hence has to register under the said Act. The matter is currently pending.

3. A civil suit (Orignial Civil Suit No. 959 of 2009) has been by Indian Performing Right Society Limited against the Company and two of its officer and have been granted interim injunction restraining from publicly performing or authorizing the public performance or communication to the public of the plaintiff's repertoire of musical and literary works or any part of the same in their "Pantaloons" stores located at Unitech, Rohini, Delhi and crossriver Mall Shahdara, Delhi. The matter is currently pending.

Consumer cases

1. A complaint (No. 703 of 2009) has been filed before the District Consumer Disputes Redressal Forum, Jaipur by Mr. Rajesh Kumar Sharma against BB MGF Mall for allegedly taken excess amount of product as showing in maximum retail price. The written statement is yet to be filed and the matter is currently pending.

Cases filed by Mr. Kishore Biyani

Nil

Mr. Prakash Bhalerao

Cases filed against Mr. Prakash Bhalerao

Nil

Cases filed by Mr. Prakash Bhalerao

Nil

Ms. Kruti Jain

Cases filed against Ms. Kruti Jain

1. A civil suit (No. 2009 of 2007) has been filed by the Maharashtra State Co-operative Consumers' Federation Limited in the small causes court, Mumbai against the Indian Bank, South Indian Co-operative Central Consumer Wholesale and Retail Stores Limited and Ms. Kruti Jain for a declaration that the plaintiff is a tenant in respect of the suit premises being Plot No. 399, Co-operative House, Telang Road, Matunga, Mumbai owned by Ms. Kruti Jain. It has also been prayed that the defendants be permanently restrained by an order and injunction from dispossessing and/or interfering with the possession of the plaintiff of the said premises. The court has vide order dated January 10, 2008 directed the parties to maintain status quo with respect to the suit premises and an ad interim injunction has been granted. The injunction application is pending and the written statement has been filed on behalf of the defendants. The suit is currently pending and the date of next hearing has been fixed for September 24, 2009.

2. An appeal (Second Appeal No.479 of 2008) has been filed by Mr. Eknath Kisan Undre and others before the High Court of Bombay against Mr. Gulab Ramchandra Undre and others including Ms. Kruti Lalitkumar Jain against the judgment and decree dated October 3, 2007 in Regular Civil Appeal No.645 of 2000 in the District Court at Pune, in respect of the suit property bearing Sy.No. 125 Manjri village, Taluka Haveli, Pune. The appeal has been admitted and is currently pending.

3. A civil suit (RAD Suit No. 2129 of 2008) has been filed by O. Mohanan against Ms. Kruti Jain for a declaration that the plaintiff is the contractual monthly tenant of the suit premises being the stall on the ground floor of Plot No. 399, Co-operative House, Telang Road, Matunga, Mumbai owned by the defendant. It has been prayed that the defendant be restrained by an order of injunction from interfering or disturbing the peaceful use, occupation and possession of the plaintiff in respect of the suit premises. The suit is currently pending and the date of next hearing has been fixed for September 24, 2009.

4. A civil suit (RAD Suit No. 2130 of 2008) has been filed by Mr. Premnarayan Pandey in the small causes court, Mumbai against Ms. Kruti Jain for a declaration that the plaintiff is the contractual monthly tenant of the suit premises being the stall on the ground floor of Plot No. 399, Co-operative House, Telang Road, Matunga, Mumbai owned by the defendant. It has been prayed that the defendant be restrained by an order of injunction from interfering or disturbing the peaceful use, occupation and possession of the plaintiff in respect of the suit premises. The suit is currently pending and the date of next hearing has been fixed for September 24, 2009.

Cases filed by Ms. Kruti Jain

Nil

Mr. Nachiket Joshi

Cases filed against Mr. Nachiket Joshi

Nil

Cases filed by Mr. Nachiket Joshi

Nil

Litigation involving property in which the Kumar Builders group is interested

1. A civil suit (Special Civil Suit No. 832 of 2003) has been filed by Mr. P.N. Pashankar in the court of Civil Judge, (Senior Division), Pune against Mr. K.N. Pashankar and others. The plaintiff claims to be the absolute owner of property located at survey No. 138/5 and by an agreement dated December 31, 1999 agreed to transfer the suit property to KHCL. The plaintiff has alleged that his father as his alleged attorney has executed an illegal sale deed on September 6, 2000 in respect of the suit property. The plaintiff has prayed for a declaration that the alleged sale deed and power of attorney are null and void and that no right, title and interest in the suit property are transferred, conveyed or created pursuant to these instruments. The suit is currently pending. The date of next hearing has been fixed for October 12, 2009.

2. A civil suit (Regular Civil Suit No. 1358 of 2000) has been filed by Mr. S.R. Patil in the court of Civil Judge (Senior Division), Pune against State of Maharashtra and others including Mr. Vimalkumar Jain for a declaration that the making of the mutation entry recording the name of PMC as part owner of the property located at plot Nos. 70/6, 70/7 (Part), Yerwada, Pune at the request of defendant Mr. Vimalkumar Jain be declared illegal and that the PMC be restrained by a permanent injunction from acting upon the said mutation entry without following due procedure. By an order dated April 17, 2004 the court has issued a temporary injunction against the defendants restraining them from conducting hearing in respect of the mutation entry till the final disposal of the suit. The suit is currently pending. The date of next hearing has been fixed for September 29, 2009.

3. A civil suit (No. 1370 of 2008) has been filed by Mr. Kishore R. Shah and others in the High Court of Mumbai against Mr. Kantaben Babubhai Sarhwara for an order directing the defendant to forthwith with vacate & handover vacant possession to the Plaintiff of the entire open space behind the Plaintiff's property known as Pallan Sojpal Building located at Rao Bahadur, S.K. Bole Road, Dadar , Bombay by removing the shed with its extension thereon unauthorisedly put up by the defendant and that pending the hearing and final disposal of the suit, the court receiver be appointed in respect of the said open space behind the plaintiff's property. The plaintiffs have also prayed for an injunction restraining the defendants from putting up any further construction or extending the existing shed with its present extension on the said open space. The suit is currently pending.

4. A civil suit (stamp No. 4452 of 2009) has been filed by Mr. Suresh Ratanshi Shah & Others in the Small Causes at Bombay against Mr. Virji Ghelabhai Shah for an order and decreed to handover possession of the suit premises to Plaintiffs being Room No.35 situated on the first floor in the Pallan Sojpal Building located at Rao Bahadur, S.K. Bole Road, Dadar , Bombay and be ordered and decreed to pay a sum of Rs. 2210 being the arrears of statutory rent from January, 2007 to July, 2009 ,that pending the hearing and final disposal of the suit, the defendant be restrained by an order and injunction from parting with possession or occupation of the suit premises.

5. A civil suit (stamp No. 4453 of 2009) has been filed by Mr. Suresh Ratanshi Shah & Others in the Small Causes at Bombay against Mr. Hitendra V. Shah for an order and decreed to handover possession of the suit premises to Plaintiffs being Room No.115 situated on the first floor in the Pallan Sojpal Building located at Rao Bahadur, S.K. Bole Road, Dadar , Bombay and be ordered and decreed to pay a sum of Rs. 1736 being the arrears of statutory rent from January, 2007 to July, 2009 ,that pending the hearing and final disposal of the suit, the defendant be restrained by an order and injunction from parting with possession or occupation of the suit premises.

6. A civil suit (stamp No. 4454 of 2009) has been filed by Mr. Suresh Ratanshi Shah & Others in the Small Causes at Bombay against Mr. Mrs. Dhaniben V Shah for an order and decreed to handover possession of the suit premises to Plaintiffs being Room No.121 situated on the first floor in the Pallan Sojpal Building located at Rao Bahadur, S.K. Bole Road, Dadar , Bombay and be ordered and decreed to pay a sum of Rs. 1736 being the arrears of statutory rent from January, 2007 to July, 2009 ,that pending the hearing and final disposal of the suit, the defendant be restrained by an order and injunction from parting with possession or occupation of the suit premises.

7. A civil suit (stamp No. 4455 of 2009) has been filed by Mr. Suresh Ratanshi Shah & Others in the Small Causes at Bombay against Mr. Vanvir G.Shah for an order and decreed to handover possession of the suit premises to Plaintiffs being Room No.114 situated on the first floor in the Pallan Sojpal Building located at Rao Bahadur, S.K. Bole Road, Dadar , Bombay and be ordered and decreed to pay a sum of Rs. 1736 being the arrears of statutory rent from January, 2007 to July, 2009 ,that pending the hearing and final disposal of the suit, the defendant be restrained by an order and injunction from parting with possession or occupation of the suit premises.

8. A civil suit (Regular Civil Suit No. 1035 of 2002) has been filed by Mr. K.N. Pashankar and others in the court of Civil Judge (Junior Division), Pune against Pune Municipal Corporation and others for a declaration that Pune Municipal Corporation has no right to grant FSI or TDR in lieu of the area acquired by it at survey No. 138 / 5 Pashan, without the consent of the plaintiffs and has also prayed for a permanent injunction restraining PMC from doing so. The plaintiffs have also filed a suit (Special Civil Suit No. 919 of 2000) for the partition of the said land. The suit is currently pending. The date of next hearing has been fixed for October 14, 2009.

9. An RTS appeal (No. 278 of 2009) has been filed by Mr. Prakash Pashankar before the Sub-divisional Officer against Mr. Kailash Pashankar and others for cancellation of the mutation entry recording the name of Mr. Kailash Pashankar and others as the owners of the suit property bearing sy. No. 138/5 situated at Pashan, Pune. The plaintiff has also prayed for an injunction restraining the opponents from doing any act or omission in respect of the suit property and from creating any third party interest therein. The appeal is currently pending and the date of next hearing has been fixed for November 7, 2009.

10. A civil suit (No. 1003 of 2008) has been filed by Murji Ranshi Cheda and others in the City Civil Court, Dindoshi against Viral Hotels and Theatres Private Limited and others for an injunction restraining the defendant from entering into any agreement with any person for development of the property located at plot No. 1-2/B, CST No. 1620 (1 to 9) (Part) Survey No. 295 (part) and CTS No. 1621 (1 to 20) (part) survey No. 295-A (part), Santacruz, Vile Parle, Mumbai and dealing or disposing or parting with possession in respect of the suit property. The plaintiff has registered a *lis pendence* with respect to the suit property and the notice of motion has been dismissed. The suit is currently pending and the date of next hearing has been fixed for November 4, 2009.

11. A civil suit (Special Civil Suit No. 971 of 2006) has been filed by Mr. D.V. Chandere in the court of Civil Judge (Senior Division), Pune against Mr. A.A. Haji and others for setting aside a sale deed with respect to survey Nos. 235/2, 5, 6, 8,12, 236 and 234/1 to 7,9,14,15 at Sus, Pune on the ground that the same was executed on the basis of a forged power of attorney. The suit is currently pending. The date of next hearing has been fixed for December 12, 2009.

12. A civil suit (Special Civil Suit No.1159 of 2004) has been filed by Mr. D.L. Sadavarte in the court of Civil Judge (Senior Division), Pune against Mrs. S.P. Sathe and others for specific performance of an agreement to sell executed on May 9, 2000 with respect to property located at survey Nos. 213/8B, Sus, Pune. The plaintiff has also prayed for a permanent injunction restraining the defendants from creating any third party interest in the suit property. The suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

13. A civil suit (Special Civil Suit No. 1062 of 2008) has been filed by R.V. Abhayankar before the court of the Civil Judge (Senior Division) Pune against Ms. Sulabai Popat Sathe and others including Kumar Builder, the proprietary firm of our Promoter for specific performance, declaration and injunction that the sale deed be executed pursuant to the agreement dated November 14, 1999 and June 24, 2003 in respect of the property bearing Sy.No. 213/8B, Sus, Pune and order handing over of possession of the property to the plaintiff. It has also been prayed that injunction be granted restraining the defendants from transferring the property or from creating third party right in the property. The case is currently pending and the date of next hearing has been fixed for October 20, 2009.

14. A civil suit (Civil Suit No. 1395 of 2008) has been filed by Mr. Sulabhai Popat Sathe and others in the court of Civil Judge (Senior Division) Pune against Kumar Builder and others for declaration that the power of attorney and development agreement entered into by the plaintiff with the defendant be cancelled on the grounds of breach of agreement. The plaintiff has also filed an application for injunction to restrain the defendant from creating third party rights or transferring the property or making alterations to the property. The suit is currently pending and the date of next hearing has been fixed for September 29, 2009.

15. A civil miscellaneous application (Civil M.A.No. 208 of 2009) filed by Ramachandra Vasudeo Abhayankar in the Court of District Judge Pune at Pune, against Ms. Sulabai Popat Sathe and others for transfer of three suits - C.S. No. 1062 of 2008, C.S. No. 1159 of 2008 and 1395 of 2008 - under section 24 of the Civil Procedure Code. The suit is currently pending and the date of next hearing has been fixed for September 25, 2009.

16. A civil suit (Regular Civil Suit No.772 of 1997) has been filed Mr. P.N. Lonkar and others in the court of Civil Judge (Junior Division), Pune against Mr.M.K. Lonkar and others for partition of land located at survey Nos. 37/3, 6, 8, 9, 18 and 9/27, Kondhwa, Khurd, Pune. The plaintiffs have filed this suit claiming to have ½ undivided share in the suit properties which is not recorded in the records of rights. The plaintiffs have also prayed for a permanent injunction restraining the defendants from changing the original state of the suit properties by construction thereon. The suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

17. Five civil suit (Suit No. 500 to 503 and 671 of 2005) has been filed by the Laxmidevamma Trust in the Small Causes Court, Bombay against the owners and tenants of property located at plot Nos. 41-42, road No. 4, Sion (E), Mumbai. The plaintiff has prayed for an injunction restraining the defendants from parting or creating third party interest in the property and also from alienating it without the permission of the plaintiff. The suits are currently pending. The date of next hearing has been fixed for September 25, 2009.

18. A civil suit (R.A.D. Suit No.1778 of 2006) has been filed by B.P.Steel Industries Private Limited in the Small Causes Court, Bombay against Mysore Chemicals and Soap, Entos Private Limited, Ms. Ragini Narayan and others with respect to plot Nos. 39 to 44, road No. 4, Sion (E), Mumbai which has been purchased by KHCL from Ms. Ragini Narayan. The plaintiff claims to be a tenant of the aforesaid property and has prayed for a permanent injunction restraining the defendants from dispossessing or obstructing the peaceful use, occupation and possession of the suit premises. Mr. Shailesh Hingarh, being the constituted attorney of Ms. Ragini Narayan, has filed the written statement on her behalf. The suit is currently pending. The date of next hearing has been fixed for September 30, 2009.

19. A civil suit (R.A.E. Suit No. 1191/1779 of 2006) has been filed by Ms. Ragini Narayan through her constituted attorney Mr. Shailesh Hingarh in the Small Causes Court, Bombay against Entos Private Limited ("EPL") and B.P.Steel Industries Private Limited ("BPSIPL"). The plaintiff claims to be the owner of plot Nos. 41-42, Sion (E), Mumbai of which EPL is the tenant. The plaintiff has alleged that EPL leased out a portion of the land to BPSPL without obtaining prior permission of the plaintiff. The plaintiff has prayed that the defendants be ordered to vacate and handover the peaceful possession of suit premises and has also prayed for a permanent injunction

restraining the defendants from subletting or transferring the suit premises in favour of a third party. The defendants have filed the written statement and the suit is currently pending for hearing. The date of next hearing has been fixed for September 28, 2009.

20. A civil suit (R.A.E. Suit No. 915/1594 of 2008) has been filed by Ms. Ragini Businayani Narayan, through her constituted attorney Mr. Shailesh Hingarh, in the court of small causes, Mumbai against Entos Private Limited and Mercantile Industries Development Corporation. The plaintiff claims to be the sole owner of the suit premises located at Plot No. 39 to 44 and 57 to 62, Sion, Matunga Estate. Entos Private Limited is a tenant in the said premises and it has been alleged that Entos Private Limited has without any authority, licensed/sub-let the premises to Mercantile Industries Development Corporation. The plaintiff has prayed the court to order the defendants to vacate and hand over peaceful possession of the suit property to the plaintiff. It has also been prayed that the defendants may be restrained by a permanent order of injunction from further subletting or transferring the suit property. The suit is currently pending and the date of next hearing has been fixed for September 28, 2009.

21. Another civil suit (R.A.E Suit No. 916/1595 of 2008) has been filed by Ms. Ragini Businayani Narayan in the court of small causes, Mumbai against Neo Pharma Limited and Kalpataru Brothers. The plaintiff claims to be the sole owner of the suit premises located at Plot No. 39 to 44 and 57 to 62, Sion, Matunga Estate. Entos Private Limited is a tenant in the said premises and it has been alleged that Entos Private Limited has without any authority, licensed/sub-let the premises to Mercantile Industries Development Corporation. The plaintiff has prayed the court to order the defendants to vacate and hand over peaceful possession of the suit property to the plaintiff. It has also been prayed that the defendants may be restrained by a permanent order of injunction from further subletting or transferring the suit property. The suit is currently pending and the date of next hearing has been fixed for September 28, 2009.

22. A civil suit (T.E. & R. Suit No. 119/144/2005) has been filed by S.P. Dhumatkar in the small causes court against Jolly Brothers Private Limited for declaration that the lease dated October 8, 1963 is validly terminated and has come to an end due to breach of the terms and conditions of the lease deed. The court by an exparte order dated March 7, 2008 declared that the lease deed is validly terminated by virtue of breach of the terms and has ordered the defendants to deliver possession of the suit property to the plaintiff within 2 months from the date of the order with all the structures standing thereon including those erected by the defendants. Thereafter, an application was filed by Jolly Brothers and an intervener application was filed by Kumar Builders for setting aside the aforesaid decree and praying for grant of opportunity to the defendants to file written statement and to defend the suit on merits. The court has by its order dated September 12, 2008 stayed the operation of the said decree. The suit is currently pending for final hearing and the date of next hearing has been fixed for September 30, 2009.

23. A civil suit (Regular Civil Suit No. 1733 of 2006) has been filed by Leelabai Jaywant Ghule in the court of Civil Judge (Senior Division) Pune, against Gujabai Dhindiba in relation to property bearing Sy.No. 18, hissa no. 38 at village Manjri Budruk, Pune with respect to which one of the defendants have executed an agreement to sell in favour of KBTVPL. The suit is filed for declaration that the suit property is in possession of the plaintiff as tenants under the Bombay Tenancy and Agricultural Land Act, 1948 and hence the defendants be restrained from interfering with the suit property. The suit is currently pending and the date of next hearing has been fixed for October 09, 2009.

24. A civil suit (2604/2004) has been filed by Jolly Brothers Private Limited in the High Court of Bombay against S.P. Dhumatkar (HUF), Mr. S. P. Dhumatkar and others praying for granting of permanent injunction against the defendants from stalling the construction/development process carried out by Kumar Builders on the suit property and declaration that the payment of the amount of the damages of Rs. 5,00,000 along with interest at the rate of 15% and the cost of the suit is validly charged on the 1/6th undivided share of the defendant and that in the event of failure of the defendants to satisfy the money decree that may be passed, the said charge be enforced by putting

to sale the said share of the defendants which is only 1/6th of the property. The permanent injuction prayer has been deleted post conveyance of the property in favour of Kumar Builders, but the prayer for damages is still retained and the suit is currently pending.

25. A civil suit (No. 1650 of 2004) has been filed by JSIPL in the High Court of Bombay against Mr. S.P. Dhumatkar (HUF) and others for declaration that the draft deed of conveyance dated April 20, 1994 for the sale of the defendants' share in the suit property is valid, subsisting and binding on the defendants and that an order may be passed directing specific performance of the said deed for by executing a deed of conveyance in respect of the 1/6th undivided share of the defendants in the suit property situated at Plot No. 1084 of Town Planning Scheme Bombay City No. IV (Mahim Area) S. No. 356, New No. 4094, old S. No. 579 & new S. No. 1682. It has also been prayed that in the alternative, a decree of partition may be passed or a sum of Rs. 28,90,266 be paid to plaintiff as refund of the purchase consideration paid by the plaintiff to the defendants in addition to grant of Rs. 30,00,000 as compensation in lieu of specific performance or partition for the value of the 1/6th share in the property along with interest. Further, it has been prayed that the payment of the amounts by the plaintiff be secured by a charge over the defendants' share. The suit is pending for final hearing.

26. A civil suit (No. 649 of 2007) has been filed by Manav Kalyan Co-operative Housing Society Limited in the City Civil Court, Mumbai against Laxmi Asbestos Product Limited claiming FSI/TDR and other benefits in relation to the suit property situated at Plot No. 4, survey No. 161, Borival, Pahadi. The court has by its order dated February 15, 2007 held that the Bombay Municipal Corporation has to decide the plaintiff's claims for the FSI/TDR and the case is currently pending before the BMC and pending for order.

27. A long cause suit (No. 600 of 2008) has been filed by Laxmi Asbestos Product Limited in the City Civil Court, Dindoshi against Manav Kalyan Co-operative Housing Society, the BMC and others for injunction restraining BMC from sanctioning the plans in respect of the suit property, the strip of land admeasuring 2463.78 sq. meters reserved for construction of a road which is the set back area forming part of CTS No. 1A/159 bearing survey No. 161 (Part), Village Pahadi, Goregaon (West), Mumbai. Further, it has been prayed that it may be declared that all FSI/TDR benifits with respect to the suit property are with the plaintiffs. An application was made by the Manav Kalyan Housing Society challenging the pecuniary Jurisdiction of the City Civil Court, Dindoshi to try and entertain the. The application has been dismissed vide order dated January 29, 2009. Against this order a civil revision petition (No. 177 of 2009) has been filed by Manav Kalyan CHS Limited before the High Court of Mumbai which is also pending for hearing. The suit is currently pending for final hearing and the date of next hearing has been fixed for September 30, 2009.

28. A case (case no. CC-II/79 of 2008) has been filed by Anant Mhadadalkar and others, members of the Jagdusha Nagar Avadhut Co-operative Housing Society in the Co-operative Court, Mumbai against the Jagdusha Nagar Co-operative Housing Society and others challenging the resolution passed in the general body meeting of the society for the appointment of KHCL as the developer for redevelopment of the suit premises owned by the society situated at CS No. 74 (part), GhatKopar west, Jagdusha Nagar, Mumbai. It has been prayed that the resolution be declares improper and illegal and that appropriate order may be passed by the court to quash the impugned resolution. The plaintiff has also prayed for interim relief in the form of an injunction restraining the defendant society from implementing the resolution. The court by its order dated November 3, 2008 has refused interim relief and the suit is currently pending for final hearing. The date of next hearing has been fixed for September 30, 2009.

29. A civil suit (Special Civil Suit No. 1069 of 1992) has been filed by Nabilal Ganim Pathan in the court of Civil Judge (Senior Division) Punr against Ms. Mehtabee Pathan and others in relation to property bearing Sy.No. 15 hissa no. 1 and 2, Yewalevadi, Pune for declaration that the registered sale deed dated July 6, 1991 executed by Ms. Mehtabee Pathan in favour of one of the other defendants is bogus and false and is invalid. Then, on the basis of the said declaration, the ownership rights of defendant no. 2 to 7 be declared as cancelled. In relation to the suit property, a

sale deed dated has been executed with respect to a portion of the land in favour of KHCL. The suit is currently pending and the date of next hearing has been fixed for October 16, 2009.

30. A civil suit (No. 40 of 1997) has been filed by Narmada Estates Private Limited before the court of the Small Causes Judge Pune, at Pune against the State of Maharashtra and others for possession and recovery of arrears of Rs. 31,890.88 with respect to property bearing Sy.No. 6A/2 and Sy.No. 6B situated at Revenue Village, Yerwada, Taluka Pune, Pune District. The suit is currently pending and the date of next hearing has been fixed for September 30, 2009.

31. A civil suit (Special Civil Suit No. 2090 of 1996) has been filed by Narmada Estates Limited before the Court of the Civil Judge (Senior Division, Pune) at Pune against the State of Maharashtra and others in relation to property bearing Sy.No. 5, sy no. 6A/2 and Sy.No. 6 B (Part) situated at Taluka Haveli, Pune for recovery of damages amounting to Rs. 5 million from the defendants. The suit is currently pending and the date of next hearing has been fixed for October 07, 2009.

32. A Civil suit (Regular Civil Suit No. 350 of 2008) has been filed in the court of Civil Judge (Senior Division) by Mr. Prahlad Lakshman and others against Mr. Ganpat Sripati Gule in respect of the property bearing Sy.No. 98/1/6 and 98/1/7 situated at village Manjribudruk, Pune for declaration that the suit property is owned by the plaintiff. It has been prayed that mandatory injunction be granted against the defendants restraining them from creating any third party rights in the suit property. An application for injunction has been filed vide an amendment application dated September 8, 2008 praying that KBTVPL be impleaded as defendant and the amendment application has been allowed. The matter is currently pending and the date of next hearing has been fixed for October 14, 2009.

33. Appeal No.64 of 2008 has been filed by Mr. K. T. Jadhav before Assistant Collector, Pune against Mr. S. B. Jadhav and others in relation to a mutation entry for lands bearing Sy.No. 30/1A/2/40/1/1. Vide the mutation entry 6304, the plaintiff was mutated as the owner of the said land. Against the same an appeal was filed by the defendants before Sub-divisional Officer, Pune bearing Appeal No. RTS/Appeal/287/05 dated November 22, 2006. In this appeal, an order was passed granting sanction to the mutation entry no. 14306 dated January 20, 2007 and mutation entry no. 14307 dated January 22, 2007 including the defendants as the owners and against this order the present appeal has been filed praying that the mutation entries in favour of the defendants be cancelled. The appeal is currently pending and the date of next hearing has been fixed for September 29, 2009.

34. An appeal (First Appeal No. 28750 of 2008) has been filed by Mr. Vasudev Sitaram Rane and others before the High Court of Bombay against Chandrakant Tularam Ghogale and others aggrieved by the judgement and decree dated July 1, 2008 passed in the Special Civil Suit No. 1233 of 1989 dismissing the suit in relation to property bearing Sy.No. 285/1. situated at Baner, Pune. The appeal is currently pending.

35. A writ petition (No. 2097 of 1994) has been filed by Nabilal Ganim Pathan in the High Court of Bombay against Union of India and others claiming to be the owners of the land located at Sy.No. 43 (old), 15 New Yevlewadi, Kondva, Budruk, Taluka Haveli, Pune District praying for a writ of certiorari or any other appropriate order calling for the records of the case pertaining to the order dated April 28, 1994 passed under section 269UD of the Income Tax Act, 1961. The petitioners as the owners had entered into a development agreement dated January 17, 1984 for transfer of the aforesaid property and the impugned order has revised the consideration payable as per the development agreement. It has also been prayed that a writ of mandamus or a writ in the nature of mandamus or any other appropriate order be passed directing the respondents to forthwith withdraw and cancel the aforesaid order. The writ petition is currently pending.

36. A civil suit (Regular Civil Suit No.59 of 2008) has been filed by Mr. Mangesh Santoshrao Ashtankar and others before the Civil Judge (Junior Division) Hingna against Mr. Santosh

Ashtankar for setting aside the amended partition deed dated April 24, 1993 and for possession of the suit property interalia bearing Khasara No. 152 (Old No.21), Hingna, District Nagpur. The plaintiff has also prayed for a temporary injunction restraining the defendants from creating third party interest. Thereafter, an interim application for injunction was filed and the court vide order dated June 16, 2007 partly allowed the application in respect of Sy.No. 21 only and the defendants were restrained from creating third party interest on land bearing Sy.No. 21. The suit is currently pending and the next date of hearing has been fixed for December 12, 2009.

37. A miscellaneous civil application has been filed by Mr. Mangesh Santoshrao Ashtankar and others in the Court of District Judge, Nagpur against Mr. Santosh Ashtankar. A civil suit (Regular Civil Suit No.59 of 2008) was filed before the Civil Judge (Junior Division) Hingna by the Applicant in respect of the property bearing Khachara No.152, (Old No.21) which is pending. Similarly another civil suit (Special Civil Suit No.150 of 2008) was filed by Mr. Ramesh Reddy in the court of Civil Judge, Senior Division, Nagpur against Ms. Janabai and others which is also pending and the Applicants have filed an application for intervenor to be joined as defendant under Order 1, Rule 10 of the Code of Civil Procedure Code, 1906 in the Special Civil Suit No.150 of 2008. It is prayed that the Regular Civil Suit No.59 of 2008 be transferred to the Court of Civil Judge (Senior Division) Nagpur to be tried and decided along with Special Civil Suit No. 150 of 2008. The suit is currently pending.

38. A writ petition (No.6775 of 2008) has been filed by Mr.Michael Bhagaji Ganraj and others against the State of Maharashtra and others against the Order passed by the Chief Minister of Maharashtra in the land ceiling case No.182 HQ and 326 MI passed under Sections 19 (1) and 10 (3) of the Urban Land Ceiling Act, 1976 praying that a writ of mandamus be issued directing the withdrawal or cancellation of the aforesaid order. The petition is currently pending for order.

39. Petition (No. 157 of 2000) has been filed by Ms. Ragini Narayan in the High Court of Mumbai praying that the probate of the will dated May 16, 1998 with respect to the property situated at Plot No. 42, Scheme 6, Sion, Matunga (East Estate), Mumbai being the last will and testament of the deceased Ms. Lakshmamma Srinivasaiah be granted to the petitioner. The petition is currently pending.

40. Petition (No. 603 of 1996) has been filed by Ms. Businayani Srinivasaiah in the High Court of Mumbai, praying that the letter of administration with respect to the will dated December 23, 1982 executed by Mr. Businayani Srinivasaiah Narayan for the property situated at Plot No. 42, Scheme 6, Sion, Matunga (East Estate), Mumbai. The petition is currently pending.

GOVERNMENT APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals for the Issue

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on September 25, 2009 authorised the Issue, subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.

2. The shareholders have, pursuant to a resolution dated September 25, 2009 under Section 81(1A) of the Companies Act, authorised the Issue.

3. In-principle approval from the National Stock Exchange of India Limited dated [●].

4. In-principle approval from the Bombay Stock Exchange Limited dated [●].

Incorporation *Details*

1. Certificate of Incorporation dated May 25, 1993 issued by the Registrar of Companies, Maharashtra.

2. Certificate of Commencement of Business dated April 19, 1994 issued by the Registrar of Companies, Mumbai.

Approvals to carry on our business

Project specific approvals

Some of the important approvals received by us in relation to our Ongoing and Forthcoming projects are as follows:

Sl No.	Name of the Project	Approvals
1.	Kumar Kruthi	• Commencement certificate No. DPO/SEC/V/0081/09/5 dated May 12 ,2009 issued by the PMC in relation to commencement of the project at Sy. No. 13/B/1+2+3, 14 (P); • Letter No. BCO/03/303 dated December 12, 2005 from PMC in relation to approval of work up to plinth level at Sy.No. 13/B/1+2+3, 14 (P); • Letter No. BCO/03/303 dated February 12, 2007 from PMC in relation to approval of work up to plinth level at Sy.No. 13/B/1+2+3, 14 (P);and • Letter No. BCO/03/112 dated November 17, 2007 from PMC in relation to approval of work up to plinth level at Sy.No. 13/B/1+2+3, 14 (P).
2.	Shantiniketan	• Commencement certificate No. CC/1324/09 dated July 22, 2009 issued by PMC in relation to commencement of project at Sy. No. 138/5; • NOC No. CWO/716 dated July 31, 2009 from PMC in relation to supply of water to the property bearing Sy.No. 138/5; • NOC No. FB/1188 dated July 31, 2009 from Chief Fire Officer, PMC in relation to use of building for the proposed purpose at the Sy.No. 138/5 ;

Sl No.	Name of the Project	Approvals
		• License No. 84713 dated July 21, 2009 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy.No. 138/5; and • NOC No. 2579 dated July 27, 2009 from PMC in relation to drainage facilities at the property bearing Sy.No.138/5.
3.	Sansar Suraksha	• Commencement certificate No. CC/0922/06 dated June 9,2006 issued by PMC in relation to commencement of project at Sy. No. 37(P)/1,5/711,12,14,15,17,19,21,22; • Completion certificate No. BCO/14/2/314 dated March 13, 2006 issued by PMC in relation to completion of project at Sy. No. 37(P)/1,5/711,12,14,15,17,19,21,22; • Completion certificate No. BCO/14/2/419 dated March 29, 2006 issued by PMC in relation to completion of project at Sy. No. 37(P)/1,5/711,12,14,15,17,19,21,22; • NOC No. 193 dated August 22,2005 from PMC in relation to supply of water to the property bearing Sy.No. 37(P)/1,5/711,12,14,15,17,19,21,22; • NOC No. FB/583 dated June 16, 2005 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 37(P)/1,5/711,12,14,15,17,19,21,22 for the proposed purpose; • License No. 58257 dated August 9, 2005 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy.No. 37(P)/1,5/711,12,14,15,17,19,21,22; and • NOC No. 616 dated May 17, 2005 from PMC in relation to drainage facilities at the property bearing Sy.No. 37(P)/1,5/711,12,14,15,17,19,21,22.
4.	Kumar Sublime	• Commencement certificate No.CC/4517/06 dated September 6, 2008 issued by PMC in relation to commencement of project at Sy. No. 37/35, 35/1, 37/A+40; and • Letter No. BP/DP/4-47/08 dated September 6, 2008 from Building Control Department, PMC in relation to approval of work upto plinth level at Sy.No. 37/35, 35/1, 37/A+40.
5.	Phada Pashan	Application for No Objection Certificate for the development of Land to Chief Executive officer Pune Housing and Area Development Board Pune (PHADA) Dated August 10,2007
6.	Buena Vista	• Commencement certificate No. CC/3140/06 dated October 29, 2006 issued by PMC in relation to commencement of project at Sy. No. 138/1A/1A/1/1A; • Completion certificate No. BCO/6/00/82 dated March 29, 2008 issued by PMC in relation to completion of project at Sy.No. 138/1A/1A/1/1A; • NOC No. CWO/2029 dated September 12, 2006 from PMC in relation to supply of water to the property at Sy.No. 138/1A/1A/1/1A; • NOC No. FB/3933 dated March 13, 2008 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 138/1A/1A/1/1A and Sy.No. 138, 2A/1A for the proposed purpose; • License No. 68197 dated February 17, 2007 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at property bearing Sy.No. 138/1A/1A/1/1A; and • NOC No. 10007 dated March 13, 2008 from PMC in relation to drainage facilities at the property bearing Sy.No. 138/1A/1A/1/1A.
7.	Kumar Garima	• Commencement certificate No. CC/0713/05 dated October 29 issued by PMC in relation to commencement of project at plot No. 135 D; and • Completion certificate No. BCO/6/00/172 dated September 29, 2004 issued by PMC in relation to completion of project at plot No. 135 D; • NOC No. 1944 dated October 22. 2002 from PMC in relation to Drainage facility to the property at plot No. 135D; • NOC No. FB/790 dated July 10, 2001 from Chief Fire Officer, PMC in relation to use of building at plot No. 135D for the proposed purpose; • License No. 44146 dated January 6, 2003 issued by Industries Energy and Labour Department, Maharashtra in relation to running of lift at plot No.135D; • NOC No.CWO/1076 dated July 6, 2004 from PMC in relation to Supply of drinking water at the

Sl No.	Name of the Project	Approvals
		property at plot No. 135D.
8.	Windsor Park	• Commencement certificate No. Maha/baleshwar/BP/SR-20/2005 dated December 26,2005 issued by District Collector of Satara, office in relation to commencement of Bunglow no 23,25& 26 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-19/2005 datedDecember 26,2005 issued by District Collector of Satara, office in relation to commencement of Bunglow no 36,37,38,42 & 44 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-13/2006 dated August 13,, 2006 issued by District Collector of Satara, office in relation to commencement of Bunglow no 29 to 34 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-12/2006 dated August 30,, 2006 issued by District Collector of Satara, office in relation to commencement of Bunglow no 45 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-2/2006 dated August 30, 2006 issued by District Collector of Satara, office in relation to commencement of Bunglow no 48,49,57 to 61 at Sy.No. 31. • Commencement certificate no. Maha/baleshwar/BP/SR-24/08 dated February 13, 2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 46,72,73,76 to 80,83,84 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-16/08 dated February 13,2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 41 & 50 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-18/06 dated February 25, 2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 101 & 102 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-14/08 dated February 27,2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 35 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-26/08 dated February 27,2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 43 at Sy.No. 31. • Commencement certificate No. Maha/baleshwar/BP/SR-17/08 dated March 4 ,2009 issued by District Collector of Satara, office in relation to commencement of Bunglow no 39,40,47 & 54 at Sy.No. 31.
9.	Kubera Sankul	• Commencement certificate No. CC/0745/09 dated June 3,2009 issued by PMC in relation to commencement of project at Sy. Nos. 224/2/1, 224/2/2 and.226A/1 to 5 • Completion certificate No BCO/03/62 Dated July 7,2003 issued by PMC in relation to project at Sy.Nos 224/2/1;and 226A/1 to 5 • Completion certificate No BCO/03/116 Dated September 9,2005 issued by PMC in relation to project at Sy.Nos 224/2/1;and 226A/1 to 5; • Completion certificate No. BCO/14/01/0461/05 dated March 2, 2006 issued by PMC in relation to project at Sy.Nos. 224/2/1; 224/2/2 and.226A/125. • Completion certificate No BCO/14/4/503 Dated February 28,2008 issued by PMC in relation to project at Sy.No.s 224/2/1;and 226A/1 to 5 • NOC No. CWO/86 dated June 20, 2005 from PMC in relation to supply of water to the property at Sy.Nos. 224/2/1, 224/2/2 and 226A/1 to 5; • NOC No. FB/3047 dated January 14, 2008 from Chief Fire Officer, PMC in relation to use of building at Sy.Nos. 224/2/1, 224/2/2 and 226A/1 to 5 for the proposed purpose; • License No. 68721 dated March 12, 2007 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy.Nos. 224/2/1, 224/2/2 and

Sl No.	Name of the Project	Approvals
		226A/1 to 5; and • NOC No.2262 dated September 18, 2007 from PMC in relation to drainage at Sy.Nos. 224/2/1, 224/2/2 and 226A/1 to 5.
10.	SUS	• Certificate No. JK.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/9285 dated June 22, 2007 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 272,273 and 274 which are residential zones; • Certificate No. JK.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/3783 dated June 15, 2009 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 22, 222, 275, 246, 247 and 248 which are residential zones; • Certificate No. JK.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/3784 dated June 15, 2009 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 19, 21,43,50 and 52 which are residential zones; • Certificate No. K.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/1815 dated May 30, 2006 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 213, 221 and 222 which are residential zones; • Certificate No. K.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/1812 dated May 30, 2006 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 272,273, 274, 275 and 293 which are residential zones; • Certificate No. K.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/1814 dated May 30, 2006 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos43 and 85 which are residential zones; • Certificate No. K.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/1816 dated May 30, 2006 issued by Town Planning Authority, Pune in relation to zone details of Sy.Nos. 204 and 207 which are residential zones; and • Certificate No. JK.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/1184 dated March 10, 2003 issued by Town Planning Authority, Pune in relation to zone details of Sy.No. 132 which is residential zone.
11.	Yeolewadi	• Certificate No. JK.SSNR-Pune/Antim PR.YO.PUNE/Zone Dakhla/4131 dated December 17, 2007 issued by Town Planning Authority, Pune in relation to zone details of Sy.No. 15 which is residential zone.
12.	Kumar Aatman	• Commencement certificate No. CC/4666/06 dated March 29, 2007 issued by PMC in relation to commencement of project at Sy.No. 285/1/1; and • Letter No. BCO/6/PC/N/91 dated November 30, 2007 from Building Control Department, PMC in relation to approval of work upto plinth level at Sy.No. 285/1/1.
13.	Kumar Puram	• Commencement certificate No.CC/0234/04 dated April 17,2004 issued by PMC in relation to commencement of project at Sy.No.707, plot 411; • Completion certificate No. BCO/14/1/96 dated June 29, 2001 issued by PMC in relation to completion of Part at Sy.No. 707, plot 411; • Completion certificate No. BCO/14/1/114 dated August 13,2002 issued by PMC in relation to completion of Part at Sy.No. 707, plot 411; • Completion certificate No. BCO/14/1/233 dated December 20,2002 issued by PMC in relation to completion of Part at Sy.No. 707, plot 411; • Completion certificate No. BCO/14/1/52 dated May 20,2003,issued by PMC in relation to completion of Part at Sy.No. 707, plot 411; • Completion certificate No. BCO/14/1/32 dated May 5, 2007 issued by PMC in relation to completion of project at Sy.No. 707, plot 411; • Completion certificate No. BCO/14/1/455/05 dated March 2, 2006 issued by PMC in relation to completion of project at Sy.No. 707, plot 411;

Sl No.	Name of the Project	Approvals
		• NOC No. CWO/508 dated May 29, 2002 issued by PMC in relation to supply of water to the property at Sy.No. 707, Plot 411; • NOC No. FB/3653 dated March 15, 2003 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 707, Plot 411 for the proposed purpose; • License No. 65595 dated September 15, 2006 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy. No. 707, plot No. 411; and • NOC No.5862 dated October 31, 2002 from PMC in relation to drainage facilities at the property bearing Sy. No. 707, plot No. 411.
14.	Kumar Kshitij	• Commencement certificate 001780 dated December 29,2000 issued by PMC in relation to commencement of project at Sy.No. 87/1A/1; • Completion certificate No. BCO/14/ II /571 dated November 4, 1999 issued by PMC in relation to completion of project Part1at Sy.No 87/1A/1. • Completion certificate No. BCO/14/II/73 dated June 12 ,2001 issued by PMC in relation to completion of Part2 at Sy.No 87/1A/1. • Completion certificate No. BCO/14/II/55 dated May 28,2002 issued by PMC in relation to completion of project at Sy.No 87/1A/1 • NOC No. CWO/895 dated August 4, 1998 from PMC in relation to supply of water to the property bearing Sy.No 87/1A/1; • NOC No. FB/421 dated May 20, 2002 from Chief Fire Officer, PMC in relation to use of building at Sy.No 87/1A/1 for the proposed purpose; • License No. 40122 dated April 26, 2002 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy. No. 87/1A/1; and • NOC No..3943 dated November 27, 2001 from PMC in relation to drainage facilities at property bearing Sy. No. 87/1A/1.
15.	Kubera Colony	• Commencement certificate CC/0692/05 dated May 20,2004 issued by PMC in relation to commencement of project at 16A/1; • Completion certificate No BCO/03/27 Dated May 27th 1999 issued by PMC in relation to completion of Part1 at Sy.no 16A/1 • Completion certificate No BCO/03/164 Dated January 10,2000 issued by PMC in relation to completion of Part2 at Sy.no 16A/1 • Completion certificate No BCO/03/184 Dated Feb 21,2000 issued by PMC in relation to completion of Part3 at Sy.no 16A/1 • Completion certificate No BCO/03/218 Dated April1,2000 issued by PMC in relation to completion of Part4 at Sy.no 16A/1 • Completion certificate No BCO/03/72 Dated August 20,2001 issued by PMC in relation to completion of Part5 at Sy.no 16A/1 • Completion certificate No. BCO.03/57 dated August 7, 2002 issued by PMC in relation to completion of project Part6 at Sy.No 16A/1; • Completion certificate No BCO/03/154 Dated January 28,2003 issued by PMC in relation to completion of Part7 at Sy.no 16A/1 • Completion certificate No BCO/03/26 Dated May 19,2003 issued by PMC in relation to completion of Part8 at Sy.no 16A/1. • Completion certificate No BCO/03/214 Dated March 19,2004 issued by PMC in relation to completion of Part9 at Sy.no 16A/1 • Completion certificate No. BCO/14/1/290 dated December 26, 2005 issued by PMC in relation to completion of Part 10 at Sy.No 16A/1.

Sl No.	Name of the Project	Approvals
		• NOC No. CWO/9230 dated September 13, 2005 from PMC in relation to supply of water to the property at Sy. No. 16A/1; • NOC No. FB/3186 dated January 28, 2003 issued by Chief Fire Officer, PMC in relation to use of building at Sy. No. 16A/1 for the proposed purpose; • License No. 60396 dated December 6, 2005 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy. No. 16A/1; and • NOC No.826 dated June 7, 2002 from PMC in relation to drainage facilities at the property bearing Sy. No. 16A/1.
16.	Kumar Elixir	• Commencement certificate No. CC 000787 dated March 31,2001 issued by PMC in relation to commencement of project at Sy.Nos. 264/7/1+ 264/7/2+264/7/3; • Completion certificate No. BCO/14/6/748 dated March 25, 2003 issued by PMC in relation to completion of project at Sy.No. 264/7/1+ 264/7/2+264/7/3; • Completion certificate No. BCO/6/155 dated October 19, 2004 issued by PMC in relation to completion of project at Sy.No. 264/7/1+ 264/7/2+264/7/3; • Completion certificate No BCO/6/284 dated on March 5, 2005 issued by PMC in relation to completion of project at Sy.No. 264/7/1+ 264/7/2+264/7/3; • NOC No. CWO/4323 dated February 12, 2004 from PMC in relation to supply of water to the property at Sy.No. 264/7/1+ 264/7/2+264/7/3; • NOC No. FB/214 dated April 27, 2004 issued by Chief Fire Officer, PMC in relation to use of building at Sy.No. 264/7/1+ 264/7/2+264/7/3 for the proposed purpose; • License No. 49987 dated February 25, 2004 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy.No. 264/7/1+ 264/7/2+264/7/3; and • NOC No. 6542 dated October 19, 2004 from PMC in relation to drainage facilities at the property bearing Sy.No. 264/7/1+ 264/7/2+264/7/3.
17.	Kumar Aagan	• Commencement certificate CC No. 0006 dated April 1,2006 issued by PMC in relation to commencement of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/178 dated March 5, 1998 issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/143 dated December 29, 1999 issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/71 dated August 20, 2001, issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/107 dated October 18, 2001 issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/61 dated August 8, 2002 issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • Completion certificate No. BCO/03/167 dated February 24, 2003 issued by PMC in relation to completion of project at Sy.No. 1304 and 1305; • NOC No. CWO/281 dated August 18, 2001 from PMC in relation to supply of water to the property at Sy.No. 1304 and1305; • NOC No. FB/3611 dated January 11, 2001 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 1304 and 1305 for the proposed purpose; • License No. 26236 dated September 9, 1997 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at the property bearing Sy.No. 1304+1305; and

Sl No.	Name of the Project	Approvals
		• NOC No. 2266 dated August 2, 1997 from PMC in relation to drainage facilities at the property bearing Sy.No. 1304 and 1305.
18.	Park Valencia	• Commencement certificate No. 6951 dated October 16,2002 issued by PMC in relation to commencement of project at Sy.No. 79/2; • Completion certificate No. BCO/3/36 dated June 17, 2005 issued by PMC in relation to completion of project at Sy. No. 79/2; • NOC No. CWO/1131 dated July 9,, 2004 from PMC in relation to supply of water to the property at Sy.No. 79/2; • NOC No. FB/2318 dated November 10, 2004 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 79/2 for the proposed purpose; • License No. 54272 dated December 21, 2004 from Industries Energy and Labour Department, Maharashtra in relation to running of lift at property bearing Sy.No. 79/2; • NOC No. 628 dated June 6, 2005 from PMC in relation to drainage facilities at the property bearing Sy.No. 79/2.
19.	KK Market	• Commencement certificate No.CC/2686/08 dated December 17, 2008 issued by PMC in relation to commencement of project at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/281 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit A) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/282 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit B) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/283 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit C) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/284 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit D) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/285 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit E) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/286 dated October 3, 2000 issued by PMC in relation to completion of Part 1 (Unit F) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/68 dated June 19, 2003 issued by PMC in relation to completion of Part 2 (Unit A) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/361 dated January 8, 2004 issued by PMC in relation to completion of Part 3 (Unit A F Wing)at Sy.No. 19A/3b+674+675; • Completion certificate BCO/14/2/18 dated April 21, 2005 issued by PMC in relation to completion of Part 1 (C Bldg Final) at Sy.No. 19A/3b+674+675; • Completion certificate No. BCO/14/2/238 dated August 8, 2006 issued by PMC in relation to completion of Part 2 (C Bldg Final) at Sy.No. 19A/3b+674+675; • NOC No. CWO/1271 dated November 4, 1999 from PMC in relation to supply of water to the property bearing Sy. No. 19A/3B+674+675; • NOC No. FB/2643 dated December 17, 2004 from Chief Fire Officer, PMC in relation to use of building at Sy. No. 19A/3B+674+675 for the proposed purpose; • License No. 48954 dated December 8, 2003 issued by Industries Energy and Labour Department, Maharashtra, in relation to running of lift at property bearing Sy. No. 19A/3B+674+675; and • NOC No.3819 dated February 7, 2004 from PMC in relation to drainage facilities at the property bearing Sy. No. 19A/3B+674+675.
20.	Adambaug	• Commencement certificate No. CC/4071/06 dated February 22, 2007 issued by PMC in relation to commencement of project at CTS No. 31/9+10/A.

Sl No.	Name of the Project	Approvals
21.	Central Railway	• Application dated April 7, 2009 to Office of DRM (Works), Pune in relation to proposed commercial development of vacant central railway land bearing CTS No. 320, Pune
22.	Kumar Business Centre	• Commencement certificate No. CC/0134/06 dated April 12, 2006 issued by PMC in relation to commencement of project at Sy.No. 362/3A/A; • Completion certificate No. BCO/30/08 dated August 12, 2008 issued by PMC in relation to completion of the project at Sy.No. 362/3A/A; • NOC No. CWO/2598 dated November 8, 2006 from PMC in relation to supply of water to the property at Sy.No. 362/3A/A; • NOC No. FB/6556 dated February 2, 2007 from Chief Fire Officer, PMC in relation to use of building at Sy.No. 362/3A/A for the proposed purpose; • License No. 65710 dated September 21, 2006 from Industries Energy and Labour Department, Maharashtra, in relation to running of lift at property bearing Sy.No. 362/3A/A; and • NOC No. 1281 dated June 16, 2008 from PMC in relation to drainage facilities at the property bearing Sy.No. 362/3A/A.
23.	Sangamwadi	• Commencement certificate No. DPO/SEC V/0356/08/30 dated September 15, 2008 issued by PMC in relation to commencement of project at Sy. No. 68/1 [P].
24.	Sinew Hills	• Commencement certificate No. DPO/SEC/iii/0596/08 dated March 2,2009 issued by PMC in relation to Layout Sanction of project at Sy. No. 44/1; • Order No. NP/5/GVN/12 (1)/2 dated June 26, 1996 issued by Government of Maharashtra in relation to declaration of slums at Wadherwadi at Sy. No. 44/1/1/1 as slum clearance area; • Order No. NP/5/GVN/12 (1)/1 dated September 9, 1996 issued by Government of Maharashtra in relation to declaration of 18 plus slums as slum clearance areas at Kelawadi at Sy. No. 44/1/1/1; • Notification No. JSK/RP/2000/64 dated April 27, 2000 issued by Government of Maharashtra in relation to declaration of an area admeasuring 18 hectares 16.19 ares at Sy.No. 44 as slum area; • Slum rehabilitation Registration Certificate No. SRA/08/06 dated May 25, 2006 issued by Slum Rehabilitation Authority in relation to undertaking slum rehabilitation projects in Pune- Pimpri – Chincwad area; • Letter No.J/4/107-82/P/10/87 dated April 27, 1982 from Charity Commissioner, Maharashtra in relation to granting of permission to the trust ‘Dargah of Khwaja Peer Sayed Hisamuddin Kattal-E-Zanjani Chisti’ to lease the property at survey. No. 44/1/1/1, Erandwane, Pune City Taluka to A.V Bhatt and Company; • NOC No. AHD/AA/PN-916/1900/94-95 dated November 30, 1994 from Appropriate Authority, Income Tax Department in relation to grant of rights of development to Megapolis Developers Private Limited; and • NOC No. AHD/AA/PN-3329/4199/2000-01 dated May 11, 2001 from Appropriate Authority, Income Tax Department in relation to transfer of property from Megapolis Developers Private Limited and A.V. Bhatt and Company to Suvarna Sahakari Bank Limited.
25.	Hinjewadi & Mann	• Approval No. SEZ/Pune/11/2008-09/272 dated March 5, 2009 from Development Commissioner in relation to demarcation of processing and non-processing area of the SEZ; • Approval No. DI/Land/Permission/338/2006/A-5230 dated February 9, 2007 from the Development Commissioner of Industries in relation to purchase of the land for the purpose of setting up SEZ; • Environmental clearance dated December 28, 2007 from the Ministry of Environment and Forests in relation to construction of “The Ceribrum” IT SEZ at Hinjewadi and Mann; • Permission dated June 3, 2009 from the Ministry of Commerce and Industry in relation to extension of the formal approval beyond August 28, 2009 to August 27, 2010 for Electronic Hardware and Software including IT/ITES SEZ at Hinjewadi and Mann; • Approval dated August 28, 2006 from the Ministry of Commerce and Industry in relation to development, operation and maintenance of a sector specific SEZ for electronics hardware and software including IT/ITES at Hinjewadi and Mann;

Sl No.	Name of the Project	Approvals
		• Recommendation dated April 18, 2007 from the Government of Maharashtra in relation to application of KBTVPL for development of IT/ITES SEZ at Hinjewadi and Mann; • Import Export Code No. 3108016423 dated January 21, 2009 issued by the Ministry of Commerce and Industry; • Certificate No. ROP/8/01/06 dated October 10, 2006 issued by Maharashtra Pollution Control Board, Regional Office – Pune in relation to a declaration that proposed IT and ITES Project at Sy. No. 188 to 218 at Hinjewadi is 'Non-Eco-Sensitive Region'; • Approval dated December 12, 2008 from the Ministry of Commerce and Industry in relation to development, operation and maintenance of sector specific SEZ for electronics hardware and software including IT/ITES at Hinjewadi; • VAT TIN 27930700019V dated March 18, 2009 issued by the Sales tax Department, Government of Maharashtra; • CST TIN 27930700019C dated March 18, 2009 issued by the Sales tax Department, Government of Maharashtra; • PAN – AACCK7807M issued by the Income Tax Department, Government of India; • Service Tax Code – AACCK7807M ST001 dated September 5, 2008 issued by the Office of Commissioner Central Excise, Pune; • Letter dated March 9, 2009 from Office of the Commissioner of Central Excise appointing specified and authorised officers to IT/ITES SEZ at Hinjewadi proposed to be developed by KBTVPL; • NOC No. Division6/Land/632/2009-10 dated June 8, 2009 issued by the Forest Officer, Ministry of Environment and Forests in relation to SEZ project land not falling under forest land; and • Approval No. 4834/2009 dated September 14, 2009 from the Chief Engineer Officer of the Irrigation Department in relation to supply of drinking water at the SEZ site.
26.	Mahalunge – Riverview Properties Private Limited	• NOC No. PUPAV/8/3340 dated April 12, 2007 issued by the Irrigation Department in relation to location clearance for setting up special township at Mahalunge; • NOC No. 2219/07 dated April 24, 2007 issued by Maharashtra Pollution Control Board in relation to location clearance for setting up special township at Mahalunge; • Letter of Intent No. KPMA/CR/08/2008 dated June 7, 2008 from the Collector in relation to setting up of special township at Mahalunge; • Application dated July 1, 2008 made to the State Environment Impact Assessment Authority in relation to environment clearance for the purpose of setting up special township at Mahalunge; • Application dated July 2, 2008 made to the Maharashtra State Electricity Development Corporation Limited inn relation to supply of electricity to the special township proposed to be set up at Mahalunge; • Receipt dated August 27, 2008 in relation to submission of plan for the special township proposed to be set up at Mahalunge; • Approval No. TPS/1808/370/PK-83/08/New13 dated October 13, 2008 from Urban Development Department, Maharashtra in relation to location clearance for the purpose of setting up special township at Mahalunge; • Permission No. KPMA/CR/08/2009 dated November 18, 2008 from Office of District Collector, Pune in relation to extension of letter of intent for the purpose of setting up special township at Mahalunge; • Revised extension of letter of intent KPMA/CR/08/2010 dated June 24, 2009 from Office of District Collector, Pune in relation to setting up of special township at Mahalunge; • NOC No. Divn 6/Land/1505/2009-2010 dated July 17, 2009 issued by Forest Department in

Sl No.	Name of the Project	Approvals
		relation to setting up special township at Mahalunge and that the area does not fall under forest land bearing number; • Application dated August 11, 2009 for issue of NOC from the Archaeological Department for the purpose of setting up special township at Mahalunge; • Order No BKS-2009/(312/09). dated September 14, 2009 issued by Irrigation Department in relation to supply of water for special township at Mahalunge; • Application dated June 24, 2009 to Taluka Inspector of Land Records for joint demarcation of special township at Mahalunge; • NOC No. KMA/SR/116/07 dated September 1, 2007 from Talathi in relation to obtaining information that there is no adivasi or forest land at Mahalunge; and • Approval No. KTPS-1808/370/PK83/08 New-13 dated November 20, 2008 issued by Urban Development Department to Town Planning Authority, Pune to bring effect on regional plan for Pune in respect of proposed township at Mahalunge.
27.	Manjri Khurd	• Approval No. 1807/245/PK641/07/New 13 dated April 4, 2008 from Urban Development Department, Maharashtra in relation to location clearance for the purpose of setting up special township at Manjri Khurd; • NOC No. 2218/07 dated April 24, 2007 from Maharashtra Pollution Control Board in relation to location clearance for the purpose of setting up special township at Manjri Khurd; • NOC No. KHPV/9/4003 dated May 5, 2007 from Irrigation Department in relation to location clearance for the purpose of setting up special township at Manjri Khurd; • Letter of intent No. KPMH/KV/1287/2008 dated June 7, 2008 from the Collector in relation to setting up special township in Manjri Khurd; • Letter No. KPMH/KV/1042 dated July 7, 2009 in relation to extension of the time period granted *vide* the letter of intent No. KPMH/KV/1287/2008 dated June 7, 2008; • Application dated June 24, 2008 to the State Environment Impact Assessment Authority in relation to environment clearance for the purpose of setting up special township at Manjri Khurd; • NOC dated August 11, 2009 for special township at Manjri Khurd in favour of Sy. Nos. 124 to 132, 137 to 194 of Manjri Khurd; • Application dated January 15, 2009 for NOC from the Ministry of Environment and Forests for special township at Manjri Khurd; • Application dated May 12, 2009 to the Irrigation Department in relation to supply of water for the special township at Manjri Khurd; and • Final demarcation of township at Manjri Khurd dated August 31, 2009 issued by the Land Record Department, Government of Maharashtra.
28.	Nagpur	• Letter No. MPC/NRO/2544/2008 dated July 10, 2008 from Maharashtra Pollution Control Board stating that Sy.Nos. 131 to 159, Mouza Khadka, Nagpur District, 129/1 and 129/2, 130 and 131 Mouza Sumthana, Nagpur District does not fall under 'Ecological Fragile; • Letter No. F.No. 26/10/2008-Mt-5419 dated October 24, 2008 from Archaeological Survey of India, Aurangabad stating that there are no centrally protected monuments of Archaeological Survey of India, Aurangabad within 300 meters radius of the proposed site falling under Sy. Nos. 129/2 and 129/2 of Sumtana Village and Sy.Nos. 131-160 of Khadka Village, Nagpur District; • NOC No. KV-772-2008 dated October 7, 2008 from Tahilsadar, Hingana Taluka stating that township area does not fall under the high flood line; • NOC No. K-5673 dated November 20, 2008 from Irrigation Department in relation to clearance for setting up township at Nagpur; • NOC No. JKPU/3005 dated July 5, 2008 from Town Planning Authority, Nagpur in relation to locational clearance for setting up township;

Sl No.	Name of the Project	Approvals
		• Application dated May 8, 2008 to Principal Secretary, Urban Development Department, Maharashtra and Director, Town Planning Authority, Pune in relation to grant of locational clearance for development of special integrated township project at Khadka Village, Hingna Taluka, Nagpur District; and • Application dated January 24, 2009 to Irrigation Department in relation to lifting water from river for township purposes.
29.	Manjri Budruk	• Application dated October 15, 2008 to government of Maharashtra in relation to changing of zone for Sy. Nos. 13-18, 20-23, 27, 30, 56, 90, 98 -103 from agricultural land to residential land.
30.	Mahalunge PMR	• Application dated January 10, 2007 to Principal Secretary, Urban Development Department, Maharashtra in relation to grant of locational clearance for development of special integrated township project at Mahalunge Village, Pune.
31.	Lohegaon	• Application dated January 15, 2007 to Government of Maharashtra in relation to changing of zone for Sy. Nos. 50, 51, 53-58 and 88 from agricultural land to residential land.
32.	Tardeo	• Inspection extract dated January 20, 2005 from Municipal Corporation of Greater Mumbaiin respect of the property bearing Ward No. D-3753, Stt.No.98, Tardeo Road; • Copy of the layout plan No. EEBP/609/D/AL dated June 29, 2005 approved by Mumbai Municipal Corporation in respect plot bearing C.S.3/730, Mumbai; • Letter of Intent No. CHE/3031/DPC dated April 25, 2006 from Municipal Corporation of Greater Mumbai in relation to proposed change of user from industrial to local commercial zone in respect of plot bearing C.S.No. 3/370 Tardeo Division; • Letter No. EB/9227/D/AL dated April 19, 2005 from Municipal Corporation of Greater Mumbai in relation to sanction of only 1.33 land component FSI for redevelopment of property bearing C.S.No.730/3, Malabar Hill-Cumbala Hill Division; • Letter No. CHE/301/SR/Rds and Tr dated August 3, 2009 from Municipal Corporation of Greater Mumbai in raltion recommendation of suitability of the plot bearing plot bearing C.S.No. 730/3 of Tardeo Division for public parking; • Application dated August 10, 2009 to Mumbai Fire Brigade, Mumbai Municipal Corporation for issuance of NOC for proposed development on plot bearing C.T.S No. 730/3, Tardeo Division; • NOC No. 195/2006 dated September 4, 2006 issued Municipal Corporation of Greater Mumbai in relation to development on property bearing C.S. No. B/730 at Tardeo.
33.	Worli	• Letter No. Dy. Ch E/4299/Traffic dated July 13, 2009 from Municipal Corporation of Greater Mumbai in relation to approval of parking layout for the proposed redevelopment on plot bearing F.P.No. 1084, T.P.S. IV of Mahim Division, Mumbai; • Letter No. Ch.E/6133/SWM dated July 9, 2009 from Solid Waste Management Department, Municipal Corporation of Greater Mumbai in relation to approval of the debris management plan and no objection to issuance of debris clearance certificate; • Letter No. Dy.Che/1963 dated October 6, 2008 from Municipal Corporation of Greater Mumbaiin relation approval for carrying out the work of storm water drain on property bearing F.P.No. 1084, T.P.S. IV of Mahim Division, Mumbai; • NOC No. Dy.Che/SP/1337 dated October 7, 2008 in relation to internal drainage layout for the proposed building No. 1 & 2 on plot bearing F.P.No. 1084, T.P.S. IV of Mahim Division, Mumbai; • NOC No. BM/509/152 dated August 11, 2009 in relation to construction proposed high rise residential building on plot bearing F.P.No. 1084, T.P.S. IV of Mahim Division, Mumbai.
34.	Palan Sojanpal	• Inspection extract No. AAC/GN/2695/2003-04 dated November 7, 2003 from Municipal Corporation of Greater Mumbaiin respect of property bearing GN-Ward No. 4321920 for the year 1996-97.
35.	New Sarvattam	• Letter No. BT-1/N.O.C.C/CS/Mum/09/299/2408 dated August 28, 2009 from Airports Authority of India in relation to NOC for development at property bearing CTS No. 475, 475/1 to 10 of village Ville Parle, Mumbai.
36.	Jagdusha Nagar	• Certificate No. CE/6418/BPES/AN October 30, 2007 issued by Municipal Corporation of Greater Mumbaiin relation to approval of the layout plan in respect of property bearing C.T.S No. 74 of village Ghatkopar, Mumbai.
37.	Manav Kalyan CHS	• Commencement Certificate No. CHE/8813/BP(WS)/AP dated March 7, 2008 issued by Municipal Corporation of Greater Mumbaiin relation to development and building permission on the property

Sl No.	Name of the Project	Approvals
		bearing C.T.S No. 1A/159 and C.T.S No. 1015, Goregaon.
38.	Modhvanik	• Inspection Extract No. AC/FN/3818/2009-10 issued by Municipal Corporation of Greater Mumbaiin respect of property bearing FN Ward No. 6674 (1).
39.	Sahar Tower	• NOC No. CO/MB/ARCH/NOC/F-1201/25/19/2009 dated June 19, 2009 from Mumbai Housing and Area Development Board in relation to reconstruction of existing building No. 1, Sahar Tower CHS Limited at Parsiwada, Andheri.
40.	Building No. 137	• Letter No. CO/MB/ARCH/NOC/F-760/6011/2007 dated July 25, 2007 from Mumbai Housing and Area Development Board in relation to proposed redevelopment of existing building B.No. 137 known as Pant Nagar Suyog CHS Limited at Ghatkopar; • Offer letter No. CO/MB/ARCH/NOC/F-760/1126/07 dated February 26, 2007 from Mumbai Housing and Area Development Board in relation to proposed redevelopment of existing building No. 137 known as Pant Nagar Suyog CHS Limited, Ghatkopar
41.	Building 84	• Offer letter No. CO/MB/ARCH/NOC/F-969/9023/08 dated March 17, 2006 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No.84 known as Pant Nagar Shradda CHS Limited bearing CTS No. 185, Ghatkopar.
42.	Building 61	• Offer letter No. CO/MB/ARCH/NOC/F-1/1825/08 dated April 3, 2008 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No. 61 on plot bearing C.T.S No. 186. Mumbai.
43.	Building 77	• Offer letter No. CO/MB/ARCH/NOC/F-1031/1422/08 dated March 15, 2008 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No. 77 on plot bearing C.T.S No. 185, Mumbai.
44.	Building 82	• Offer letter No. CO/MB/ARCH/NOC/F-1034/1424/08 dated March 15, 2008 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No. 82on plot bearing C.T.S No. 186, Mumbai.
45.	Building 152	• Application dated August 25, 2008 to Water Department, Mumbai Municipal Corporation requesting issuance of tax Clearance Certificate in respect of the property at CTS No. 194, Ghatkopar; • NOC No. DYSG/TA/P/301 dated November 4, 2008 from Tree Authority, Municipal Corporation of Greater Mumbai in relation to development of the property on the plot bearing C.T.S. No. 194, Ghatkopar and planting of trees in the open spaces; • Letter No. DLN/MNL/SH-696/2008 dated August 11, 2008 from Sub-Divisional Officer, Mumbai Suburban District in relation to carrying out of excavation operations on the land bearing Sy.No. 236 of Ghatkopar Village; • Letter No. Dy.CH.E/SP/388 dated July 14, 2008 from Municipal Corporation of Greater Mumbai in relation to drainage approval for proposed reconstruction of building No. 152 on plot bearing C.T.S. No. 194 of Ghatkopar Village, Mumbai; • NOC No. CO/MB/ARCH/NOC/F-816/8502/2007 dated November 16, 2007 from Mumbai Housing and Area Development Board in relation to construction of existing building No. 152 known as Pant Nagar EKTA CHS Limited on land bearing C.T.S No. 194 at Pant Nagar, Ghatkopar; • Offer Letter No. CO/MB/ARCH/NOC/F-816/31107 dated August 27, 2007 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No.152 on plot bearing CTS No. 194 at Pant Nagar, Ghatkopar, Mumbai.
46.	Building No. 47	• Offer Letter No. CO/MB/ARCH/NOC/F-1186/4323/08 dated August 25, 2008 from Mumbai Housing and Area Development Board in relation to grant of NOC for reconstruction of existing building No. 47 CTS No. 194 at Pant Nagar, Ghatkopar, Mumbai.
47.	Sai Srushti Developers	• Letter No. CE(M)/ACE(M)-I/TA/4968/2005-06 dated September 12, 2005 from Bengaluru Water Supply and Sewerage Board in relation NOC for supply of water to proposed building at Sy.No. 6/9 B1, 6/9 B/2 and 7 of Devabisanahalli Village, Marathahalli, Outer Ring Road, Bengaluru; • Letter No. GMBC(S)/DGM/AGM-3/05/06/8954-55 from Bengaluru Electricity Supply in relation to procurement of obtaining sanction from competent authority for the proposed building at Sy.No.7,6/9B1, 6/9B2 of Devabisanahalli Village, Bengaluru; • NOC No. AA/20012/80/2005-ARI(NOC) from Airport Authority of India August 31, 2005 in relation to construction of the proposed building at location bearing number 6/9 B1, 6/9 B2, Devabisina Halli, Varthur Hubli, Bengaluru; • Letter No. GBC(1) 620/2005 dated May 24, 2006 from Karnataka Fire and Emergency Services in relation to issuance of conditional NOC for the construction of high rise residential buildings at

Sl No.	Name of the Project	Approvals
		property bearing Sy.No. 6/9B1, 6/9B2 and 7, Devarabisanahalli Village, Bengaluru.

The Company requires approvals from various governmental and local bodies in relation to all the projects executed or to be executed by it. These approvals are required at various stages of construction and shall be granted to us by these authorities subject to our compliance with the requirements of the local laws. These include no objections certificates from government agencies, plan sanction from the authorities, commencement certificate and occupancy certificate. In addition to the above, we also require the approvals under various environmental legislations for all our projects. We shall apply for these at the relevant stages of the construction.

Other Approvals

Description	Reference No.
PAN allotted by the Income Tax Department, Government of India	AAACK7659N
Service Tax Registration under the Finance Act, 1994	AAACK7659NST001
TIN allotted under the Maharashtra Value Added Tax Act, 2002	27470301796 V
CST TIN allotted under the Central Sales Tax Act, 1956	27470301796 C
Registration under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952	MH/PUN/34785
TAN by the Income Tax Department, Government of India	PNEK00993G
Registration under Maharashtra State Tax on Profession, Trades, Callings and Employments Act, 1975	22062518000460
Registration under Bombay Shops and Establishments Act, 1948	Pune Camp/II/5500
IEC number allotted by Ministry of Commerce, Government of India	3108012096

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on September 25, 2009 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on September 25, 2009.

Prohibition by SEBI

The Company, Promoters, Directors, Group Entities and Promoter Group and natural persons behind the Promoters which are body corporates, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

The companies, with which Promoters, Directors or persons in control of the Company are/were associated as promoters, directors or persons in control have been have not been debarred from accessing the capital market under any order or directions made by the Board.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI

Neither the Company, Promoters, the relatives of Promoters (as defined under the Companies Act) and Group Entities have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- The Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- The Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years;

- The Company has a net worth of at least Rs. 10 million in each of the three preceding full years (of 12 months each); and

- The aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-Issue net worth of the Company; and

- The Company has not changed its name in the last fiscal year.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2009 are set forth below:

(In Rs. millions)

Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
Distributable Profits(1)	96.87	161.18	117.28	23.59	33.71
Net Worth(2)	1890.86	1793.97	192.22	85.27	61.69
Net Tangible assets(3)	5007.67	5014.99	1945.93	387.63	112.25
Monetary assets(4)	20.43	55.14	189.93	6.91	2.56
Monetary assets as a percentage of the net tangible assets	0.40%	1%	10%	2%	2%

(1) *'Distributable profits' have been defined in terms of Section 205 of the Companies Act.*
(2) *'Net worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.*
(3) *'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.*
(4) *Monetary assets comprise of cash and bank balances and public deposit accounts with the Government.*

Further, as the Issue size is proposed to be more than 10% and less than 25%, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs as specified by SEBI

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS

BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2009 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

(1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

(2) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

(a) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(c) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

(4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

(5) **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

(6) **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR**

COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.

AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

1. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

2. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company, the BRLM

The Company, the Directors, the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.kumarbuilders.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLM, and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company.

All information shall be made available by the Company, the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**") or any state securities laws in the United States and may not be offered or sold within the United States 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 outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

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

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (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. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with ROC at the Office of the Registrar of Companies, Maharashtra at Mumbai.

Listing

Applications will made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after the Company becomes liable to repay it, i.e. from the date of refusal or within 7 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents, as applicable in writing of: (a) the Directors, the Company Secretary, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Manager to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, Domestic Legal Advisors to the Issue, Domestic Legal Advisors to the Company, IPO Grading agency, Architect and to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, Lodha & Co, Chartered Accountants, the Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC.

Expert Opinion

Except the report of Credit Analysis and Research Limited in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

We have obtained an expert opinion dated fromBapat Valuers & Consultants Private Limited, Neeraja Purandare and Nandapurkar & Associates; respectively in relation to Developable area for the Completed, Ongoing and Forthcoming Projects and they have given his written consent to act as an Expert in relation to Developable Area of the Ongoing and Forthcoming Projects and such consent has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense* (in Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue Size*
Lead management, Underwriting and Selling Commission	[•]	[•]	[•]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expense	[•]	[•]	[•]
Printing and stationery (including courier, transportation charges)	[•]	[•]	[•]
Others (Registrar's fees, legal fees, listing costs etc.)	[•]	[•]	[•]
Fees paid to rating agency	[•]	[•]	[•]
Total	[•]	[•]	[•]

* *Will be incorporated after finalisation of the Issue Price.*

The listing fee and all expenses with respect to the Issue will be borne by us.

Fees Payable to the Book Running Lead Manager, and Syndicate Members

The total fees payable to the BRLM, and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLM, a copy of which is available for inspection at the registered office of the Company located at Kumar Capital, 2nd floor, 2413, East Street, Pune 411 001.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement signed with the Company, a copy of which is available 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 to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section entitled "Capital Structure" on page 51, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed Group Entities, Subsidiaries and associates of the Company

None of the Group Entities, associates and Subsidiaries of the Company is listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of the Company and/or listed Group Entities, Subsidiaries and associates of the Company

The Company has not undertaken any previous public or rights issue.

None of the Group Entities, associates and Subsidiaries of the Company are listed on any stock exchange

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section entitled "Capital Structure" on page 51.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Agreement between the Registrar to the Issue, and the Company will provide for retention of records with the Registrar to the Issue for a minimum period of three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Ms. Sheetal Joshi, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Kumar Capital, 2nd Floor,
2413, East Street,
Pune 411 001
Tel: (91) (20) 4000 6000
Fax: (91) (20) 2633 0584
Email: investors@kudl.com

Changes in Auditors

During the financial year 2006-08, S.R. Batliboi and Co, were our auditors and in the financial year 2008-09 changed our auditors from S.R. Batliboi and Co to Lodha & Co.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

SECTION VII - ISSUE INFORMATION
TERMS OF THE ISSUE

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

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 415.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [•] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and the Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 415.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation at least two days prior to the Bid/Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

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

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

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

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

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters 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 eight (8) days after the Company becomes liable to pay the amount, the Company shall pay interest prescribed under Section 73 of the Companies Act.

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

Further, we shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States 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 outside the United States transactions in compliance with Regulation S under the Securities Act.

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

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section entitled "Capital Structure" on page 51, and except as provided in our Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in our Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. Please see the section entitled "Main Provisions of our Articles of Association" on page 415.

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating up to Rs. 4,500 million. The Issue will constitute [●]% of the post-issue paid-up capital of the Company. The Company is considering a Pre-IPO Placement of Equity Shares with various investors. The Pre-IPO placement is at the discretion of the Company and at a price to be decided by the Company. The Company will complete the issuance and allotment of such Equity Shares prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid up capital being offered to the public.

The Issue is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.#	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.#	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity	[●] Equity Shares and in multiples of 1 Equity	[●] Equity Shares and in multiples of 1 Equity

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders
	Share thereafter	Share thereafter	Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law, and National Investment Fund.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.***	Amount shall be payable at the time of submission of Bid cum Application Form.	Amount shall be payable at the time of submission of Bid cum Application Form.##
Margin Amount	Up to 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

\# *The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 371. The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million.*

\## *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

* *Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at sole discretion of the Company, in consultation with the BRLM.

If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

*** *After the Bid/ Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.*

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]***
BID/ISSUE CLOSES ON	**[●]**

* *The Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, the Company, the BRLM, and the Syndicate Members shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

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

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of the QIB Portion (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLM or their affiliate syndicate members. In case of QIB Bidders, the Company, in consultation with the BRLM, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such QIB Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised the Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs or FIIs applying on a repatriation basis	Blue

The physical ASBA Bid cum Application Form shall be white in colour.

- Only Resident Retail Individual Investors can participate by way of ASBA process.

- Only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- 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);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI regulations as applicable.;

- FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual, registered with SEBI;

- Venture Capital Funds registered with SEBI;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority, India;

- Subject to the applicable law, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and

- Eligible Employees.

- National Investment Fund set up by the Government of India;

Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Participation by Associates of BRLM, and Syndicate Members

The BRLM, and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The BRLM and any persons related to the BRLM, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII , as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the BRLM, and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) The Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation. This advertisement shall be in the prescribed format. The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation at least two (2) working days prior to the Bid/ Issue Opening Date. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) The BRLM shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(i) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 377.

Bids at Different Price Levels and Revision of Bids

(a) The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One). The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company, in consultation with the BRLM, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation at least two (2) working days prior to the Bid/ Issue Opening Date.

(b) The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) The Company, in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) The Company, in consultation with the BRLM can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders 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 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, 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. The Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(f) 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.**

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please refer to the section titled "Issue Procedure-Payment Instructions" on page 386.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in

India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, Employee etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or the Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders Bids would not be rejected except on the technical grounds listed on page 389.

(h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company and/or the BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, our Promoters, our management or any scheme or project of the Company.

(i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.

(j) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

(k) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build up of the book and revision of bids

(a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.

(b) The Company in consultation with the BRLM shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Issue and 10% and 30% of the Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLM and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(e) Allocation to Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(f) The BRLM in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLM or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to “Notice to Anchor Investors - Allotment Reconciliation and Revised CANs” and “Notice to QIBs - Allotment Reconciliation and Revised CANs” as set forth under the section “Issue Procedure” on page 371.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs/ A physical book will be prepared by the Registrar on the basis of Bids received. Based on the physical book and at the discretion of the BRLM, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN.

Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The

CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a). The Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

(b). In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c). Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e). Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act;

(i). Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(j). Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a). Do not bid for lower than the minimum Bid size;

(b). Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c). Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d). Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f). Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000);

(g). Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, Escrow Collection Banks nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Eligible NRIs, FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI, venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that the Company, the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

The Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 367.

2. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

3. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "–[●]"

   (b) In case of Non Resident QIB Bidders: "–[●]"

   (c) In case of Resident Retail and Non Institutional Bidders: "–[●]"

   (d) In case of Non-Resident Retail and Non Institutional Bidders: "–[●]"

5. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

6. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

7. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

8. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

9. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

10. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

11. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

12. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

13. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

a) All applications are electronically strung on first name, address and applicants status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.

b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is 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**.

Rejection of Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders 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 *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;

- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLM or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLM, or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by persons in the United States other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority
- Bids by persons who are not eligible to acquire Equity Shares of the Company under any applicable laws, rules, regulations, guidelines, and approvals, as the case maybe ;

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 13, 2007, between NSDL and the Company and the Registrar to the Issue;

- Agreement dated September 1, 2009, between CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; 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 and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*

(b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all

Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLM, subject to compliance with the following requirements:

  (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;
  (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLM and on the terminals of the Syndicate Members.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM, and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- 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.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of the Company, in consultation with the BRLM.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Allocation to QIB (60%)	120 million equity shares
3.	Anchor Investor Portion	36 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	7.98	0
A2	20	0	4.00	0
A3	130	0	20.74	0
A4	50	0	7.98	0
A5	50	0	7.98	0
MF1	40	0.84	6.38	7.22
MF2	40	0.84	6.38	7.22
MF3	80	1.68	12.76	14.44
MF4	20	0.42	3.19	3.61
MF5	20	0.42	3.19	3.61
	500	**4.20**	**79.80**	**36.10**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” on page 367.

2. Out of 84 million Equity Shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 79.80 million Equity Shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 79.80 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 79.80 / 495.80.

- 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 79.80 / 495.80.

- The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

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 finalisation of basis of allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. 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. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

The Company agrees that the allotment of Equity Shares in the Issue shall be made not later than 15 days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings

The Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily;

- 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 within seven working days of finalisation of the basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoters' contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

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.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoters' contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. The Company, the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

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

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of the Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

(a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

(b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

(c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

(d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

(e) ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

(f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

(g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

(h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

(i) ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

(a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

(b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

(c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

(d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.

(g) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be 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. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

(a) The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

(b) The Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in an English national daily newspaper, a Hindi national daily newspaper and a Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) The Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

(e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

(f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

(a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

(b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder’s beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

(e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder’s responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of the Company, its management or any scheme or project of the Company.

(h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, the Company would have a right to reject the Bids only on technical grounds.

(i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM, and the Stock Exchanges on a regular basis.

(c) ASBA Bidders shall not revise their Bids.

(d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” on page 371.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) 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 bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, the Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

(b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

(c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

(d) Ensure that your Bid is at the Cut-off Price.

(e) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

(f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

(g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or Lead Manager to the Issue.

(h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

(i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

(j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

(k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the

Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

(l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

(m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.

(n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

(o) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

(a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

(b) Do not submit an ASBA Bid if you are applying under any reserved category.

(c) Do not revise your Bid.

(d) Do not Bid for lower than the minimum Bid size.

(e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

(f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

(g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

(h) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

(i) Do not submit the GIR number instead of the PAN Number.

(j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

(a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

(d) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

(e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, the Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

The Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that the Company, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “Issue Procedure - Multiple Bids” on page 388.

Permanent Account Number

For details, see the section titled “Permanent Account Number or PAN” on page 389.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, the Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 389, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids at a price other than at the Cut-off Price;

3. Age of first Bidder not given;

4. Bid made by categories of investors other than Resident Retail Individual Investors;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Issue Procedure- Impersonation" on page 393.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

The Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section titled "Issue Procedure- Basis of Allotment" on page 393.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by the Company

In addition to the undertakings described under "Issue Procedure - Undertaking by the Company", with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section titled "Issue Procedure- Utilisation of Issue Proceeds" on page 399.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the **S**ecretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

a. Development of serviced plots and construction of built up residential premises
b. Investment in real estate covering construction of residential and commercial premises including business centres and offices
c. Development of townships
d. City and regional level urban infrastructure facilities, including both roads and bridges
e. Investment in manufacture of building materials, which is also open to FDI
f. Investment in participatory ventures in (a) to (e) above
g. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100% only by NRIs in the following specified areas:

1. Development of serviced plots and construction of built up residential premises
2. Investment in real estate covering construction of residential and commercial premises including business centres and offices
3. Development of townships
4. City and regional level urban infrastructure facilities, including both roads and bridges
5. Investment in manufacture of building materials, which is also open to FDI

6. Investment in participatory ventures in (a) to (c) above
7. Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100% under the automatic route is allowed in 'townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)', subject to the compliance with the following requirements.

a. Minimum area to be developed under each project is as under

1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
2. In case of construction-development projects, a minimum built up area of 50,000 square meters
3. In case of a combination project, anyone of the above two conditions would suffice

b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

Therefore applicable law only permits investment by an NRI under the automatic route in the 'Housing and Real Estate' sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the 'Housing and Real Estate' subject to compliance with the terms provided in press note 2 of 2005.

Note:

- As per the existing policy of the Government of India, OCBs cannot participate in this Issue.
- Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

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

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States (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 outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – **MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

PRELIMINARY

INTERPRETATION

1. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

"**The Company**" or "**This Company**" means **Kumar Urban Development Limited.**

"**The Act**" means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

"**Affiliate**" with respect to any party, means any Company, corporation, association or other entity, which, indirectly, Controls, is controlled by or is under common control, with such party. The term "**Control**" in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term "controlling" and "controlled" shall be construed accordingly.

"**Annual General Meeting**" means the annual general meeting of the Company convened and held in accordance with the Act.

"**Articles of Association**" or "**Articles**" means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

"Auditors" means and include those persons appointed as such for the time being by the Company.

"**Board**" or "**Board of Directors**" means the Directors of the Company collectively referred to in the Act.

"**Capital**" means the share capital for the time being raised or authorized to be raised for the purposes of the Company.

"**Debenture**" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

"**Debenture** holders" means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

"**Directors**" means the Directors for the time being of the Company and includes Alternate Directors.

"**Dividend**" includes interim dividend unless otherwise stated.

"Document" includes summons, notice, requisition, order, other legal process and registeres whether issued , sent or kept in pursuance of the act or any other act or otherwise.

"**Executor**" or "**Administrator**" means a person who has obtained probate or Letters of Administration, as the case may be, from some competent Court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorized to negotiate or transfer the shares of the deceased member.

"**Extraordinary General Meeting**" means an extraordinary meeting of the Company convened and held in accordance with the Act.

"**Financial Year**" shall have the meaning assigned thereto by Section 2 (17) of the Companies Act 1956.

"**Managing Director**" shall have the meaning assigned thereto in the Act.

"**Member**" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded such with the Depository.

"**Month**" means the English Calendar month.

"**Office**" means the Registered Office, for the time being of the Company.

"**Officer**" shall have the meaning assigned thereto by the Act.

"Ordinary Resolution" shall have the meaning assigned thereto by the Act.

"**Paid up**" includes "credited as paid up".

"**Person**" shall include any Association, Corporation, Company as well as individuals.

"**Proxy**" includes Attorney duly constituted under a Power Attorney.

"Public Holiday" means a public Holiday within the meaning of Negotiable Instruments Act, 1881 (XXVI of 1881) provided that no day declared by the Central Government to be public holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.

"**Register**" means the Register of Members to be kept pursuant to the said Act.

"**Registrar**" means the Registrar of Companies, of the state in which the office of the Company is time being situate.

"**Seal**" means Common seal for the time being of the Company.

"**Secretary**" means a Company Secretary within the meaning of clause (c) of sub-Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the board to perform any of the duties of a Secretary subject to the provisions of the Act.

"**Shares**" means the Equity shares of the Company unless otherwise mentioned.

"**Share Warrant**" means share warrant issued pursuant to Section 114 of the Act.

"**Section**" means Section of the Companies Act, 1956.

"**Special Resolution**" shall have the meaning assigned thereto by Section 189 of the Companies Act 1956.

“Transfer” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company; and

“**Writing**” and “**Written**” means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.

Words importing the singular number include the plural and vice versa.

“**these Presents” or “Regulations”** means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

CAPITAL

2. *Authorised Share Capital*

3. The authorized share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

4. Shares at the disposal of our directors

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Without prejudice to the generality of the forgoing, the Directors shall also be empowered to issue Shares for the purposes of granting stock options to its permanent employees under the terms and conditions of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 or any other applicable law, as amended from time to time. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. *Consideration for Allotment:*

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

6. *Restriction on Allotment*

a) The Directors shall in making the allotments duly observe the provision of the Act;

b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and

c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

7. *Increase of Capital*

The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

8. *Reduction of Capital*

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

9. *Sub-division and Consolidation of Shares:*

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. *New capital part of the existing capital:*

Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

11. *Power to issue Shares with differential voting rights:*

The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

12. *Power to issue preference shares:*

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

13. *Further Issue of Shares:*

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less that thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, fit.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

(a) To convert such debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company.

provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(i) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

14. Rights to convert loans into capital

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

15. Allotment on application to be acceptance of shares:

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.

16. Returns on allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

17. Money due on shares to be a debt to the Company:

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

18. Members or heirs to pay unpaid amounts:

Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

19. a) *Every Member entitled to certificate for his shares:*

(i) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-divisions of the shares of the Company.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, atleast one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person to whom it has been issued, indicating date of issue.

b) *Joint ownership of shares:*

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

c) *Director to sign Share Certificates:*

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

d) *Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates*

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rule s made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to debentures of the Company.

e) *Renewal of Share Certificate:*

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………….. sub-divided/replaced on consolidation of shares.

f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it ,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

g) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

20. Rules to issue share certificates:

The rules under "The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

21. Responsibilities to maintain records:

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

22. Rights of Joint Holders

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

22. Limitation Of Time For Issue Of Certificates

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

UNDERWRITING & BROKERAGE

23 Commission for placing shares, debentures, etc:

a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely of conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company

b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

24. Company's lien on shares /debentures

The Company shall have a first and paramount lien upon all the shares /debentures (other that fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from lien and that in the case of partly paid shares the Issuer`s lien shall be restricted to money`s called or payable at a fixed time in respect to such shares.

25. Enforcing lien by sale:

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

26. Application of sale proceeds:

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

27 Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.

28 Notice for call:

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

29 Call when made:

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

30 *Liability of joint holders for a call:*

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

31 *Board to extend time to pay call:*

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

32 *Calls to carry Interest*:

If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

33 *Dues deemed to be calls:*

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

34 *Proof of dues in respect of share*

On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

35 *Partial payment not to preclude forfeiture:*

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

36 *Payment in anticipation of call may carry interest*

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE OF SHARES

37 *Board to have right to forfeit shares:*

If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

38 *Notice for forfeiture of shares:*

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

39. *Effect of forfeiture*

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

40. *Notice of forfeiture:*

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

41 *Forfeited share to be the property of the Company:*

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

42 *Member to be liable even after forfeiture:*

Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

43 *Claims against the Company to extinguish on forfeiture:*

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

44 *Evidence of forfeiture:*

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares**.**

45 *Effecting sale of shares**:***

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser’s name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

46 *Certificate of forfeited shares to be void:*

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

47 *Board entitled to cancel forfeiture:*

The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

48 *Register of Transfers*

The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

49 Endorsement of Transfer:

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

50 Instrument of Transfer:

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases.

51 Executive transfer instrument:

Every such instrument of transfer shall be executed both 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 in respect same class of shares and should be in the form prescribed under the Act.

52 Closing Register of transfers and of Members:

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the transfer books, the register of members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

53 Directors may refuse to register transfer:

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. The provisions of Section 111 of the Companies Act, 1956, regarding powers to refuse Registration of Transfer and appeal against such refusal should be adhered to. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused

54 Transfer of partly paid shares:

Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

55 Survivor of joint holders recognized:

In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

56 Title to shares of deceased members:

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India., Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member

57 Transfers not permitted:

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

58 Transmission of shares:

Subject to the provisions of these presents , any person becoming entitled to shares in consequence of the death, lunacy , bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

59 Rights on Transmission:

A person entitled to a share by transmission shall, subject to the Directors right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.

60 Instrument of transfer to be stamped:

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

61 Share Certificates to be surrendered:

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

62 No fee on Transfer or Transmission:

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.

63 Company not liable to notice of equitable rights:

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.

64 **DEMATERIALISATION OF SECURITIES:**

(i) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a depository.

"*Bye-Laws*" means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered OWNER*" means a depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) *Company to Recognize Interest in Dematerialized Securities Under The Depositories Act, 1996*.

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/Re-Materialisation Of Securities:*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option To Receive Security Certificate Or Hold Securities With Depository:*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form:*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) Beneficial Owner Deemed As Absolute Owner:

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) Rights Of Depositories And Beneficial Owners:

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.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

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 securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository *(viii) Register And Index Of Beneficial Owners:*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) Cancellation of Certificates Upon Surrender By Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.

(x) Service of Documents:

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) Allotment of Securities:

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) Transfer of Securities:

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) Distinctive Number of Securities Held In A Depository

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) Provisions of Articles To Apply To Shares Held In Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository to Furnish Information:*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option to Opt Out in Respect of any such Security:*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect of this Article:*

Provisions of the Articles will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

65 NOMINATION FACILITY:

(I) Every holder of shares, or holder of debentures 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 rest in the event of his death.

(II) Where the shares in or debentures of the Company or 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 shall rest in the event of death of all the joint holders.

(III) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, 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 shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and 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 in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the 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 debentures as the case may be , or

b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture 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 a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided 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 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination..

66 BUY BACK OF SHARES:

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof.

67 COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

68 Rights to issue share warrants:

(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

69 *Rights of warrant holders*:

(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor.

70 (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.

71 *Board to make rules:*

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

72 *Rights to convert shares into stock & vice-versa:*

The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

73 *Rights of stock holders:*

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

GENERAL MEETINGS

74 *Annual General Meetings:*

The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

75 *Extraordinary General Meetings:*

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

76 *Extraordinary Meetings on requisition:*

The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

77 *Notice for General Meetings:*

All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.

78 *Shorter Notice admissible:*

With the consent of all the members entitled to vote, at an Annual General Meeting or with the consent of the members holding 95 percent of such part of the paid-up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

79 *Special and Ordinary Business:*

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

80. *Quorum for General Meeting:*

Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

81 *Time for quorum and adjournment:*

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.

82 *Chairman of General Meeting*

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

83 *Election of Chairman:*

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman.

84 *Adjournment of Meeting:*

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

85 *Voting at Meeting:*

At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

86 *Decision by poll:*

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

87 *Casting vote of Chairman:*

In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.

88 *Poll to be immediate:*

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

89 *Passing resolutions by Postal Ballot*

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.

VOTE OF MEMBERS

90 *Voting rights of Members:*

(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.

91 *Voting by joint-holders:*

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

92 *No right to vote unless calls are paid:*

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

93 *Proxy:*

On a poll, votes may be given either personally or by proxy.

94 *Instrument of proxy:*

The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

95 The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

96 Validity of proxy:

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

97 Corporate Members:

Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company.

DIRECTOR

98 Number of Directors:

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

99 Share qualification not necessary:

Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

100 Director's power to fill-up casual vacancy:

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid

101 Additional Directors:

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.

102 Alternate Directors:

The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.

103 Remuneration of Directors:

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

104 Remuneration for extra services:

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to our in substitution for any other remuneration to which he may be entitled.

105 Continuing Director may act:

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

106 Vacation of office of Director:

The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

107 Equal power to Director:

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTOR

108 One-third of Directors to retire every year:

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

109 Retiring Directors eligible for re-election:

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

110 Which Director to retire:

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

111 Retiring Director to remain in office till successors appointed

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the returning Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

112 Increase or reduction in the number of Directors:

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in General Meeting may by Ordinary Resolution increase or reduce the number of its Directors.

113 Power to remove Director by ordinary resolution:

Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

114 Right of persons other than retiring Directors to stand for Directorship:

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such member if the person succeeds in getting elected as Directors.

115 Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act , the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

116 Directors not liable for retirement:

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

117 Director for subsidiary Company:

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such Company.

118 Meetings of the Board:

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

119 Quorum:

The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time.

120 Questions how decided:

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

121 *Right of continuing Directors when there is no quorum:*

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

122 *Election of Chairman of Board:*

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to b the Chairman of the Meeting.

123 *Delegation of Powers:*

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

124 *Election of Chairman of Committee:*

(a) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee, if the Chairman is not a member thereof, the committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Meeting.

(b) The quorum of a committee may be fixed by the Board of Directors. ..

125 *Questions how determined:*

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by the sole member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

126 *Validity of acts done by Board or a Committee:*

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

127 *Resolution by Circulation:*

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of he Board or committee duly convened and held.

(a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

    Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

128. *Minutes:*

a) The Company shall cause minutes of all proceedings of General Meetings and of all proceedings at meetings of the Board or of committee of the Board to be duly entered in Books to be maintained for that purpose in accordance with Section 193 of the Act.

b) The minutes of each meeting shall contain fair and correct summary of the proceedings thereat .

c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such Books shall be dated and signed by the Chairman of the same meeting or in the event of the death or liability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

e) The names of the Directors present at the meeting, in case of meeting of the Board or Committee of Board.

f) The names of the Directors, if any, dissenting from or not consenting to the resolution, in the case of each resolution passed at the meeting of Board or Committee of Board.

g) All appointments of officers made at any meeting shall be included in the minutes of the meeting.

h) Any such minutes shall be evidence of the proceedings recorded therein.

The Book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

129. *Assignment of debentures:*

Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.

130. *Terms of Issue of Debentures:*

Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.

131. *Debenture Directors:*

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

132. Nominee Directors:

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer. .

133. Register of Charges:

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

134. Subsequent assigns of uncalled capital:

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

135. *Charge in favour of Director for Indemnity:*

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

136. Powers to be exercised by Board only by Meeting:

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
   (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
   (ii) Power to issue debentures;
   (iii) Power to borrow money otherwise than on debentures:
   (iv) Power to invest the funds of the Company;
   (v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

(d) If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

(e) The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

137. Powers and duties of Managing Director or whole-time Director:

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

138. Remuneration of Managing Directors/whole time Directors:

Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

139. Reimbursement of expenses:

The Managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

140. Business to be carried on by Managing Directors/ Whole time Directors:

(a) The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the broad, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

141. *Custody of Common Seal:*

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

142. *Seal how affixed*

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of atleast one Director and of the secretary or such other person as the Board may appoint for the purpose. Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director and of the secretary or such other person aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

143. *Right to dividend*:

(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits.

144. *Declaration of Dividends:*

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

145. *Interim Dividends:*

The Board may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the Company.

146. *Dividends to be paid out of profits:*

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

147. *Reserve Funds:*

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to Reserves.

148. *Deduction of arrears:*

The Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

149. *Adjustment of dividends against calls:*

Any General Meeting declaring a dividend may make a call on the members as such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.

150. *Receipt of joint holder:*

Any one of two or more joint holders of a share may give effectual receipt for any dividends, or other moneys payable in respect of such shares.

151. *Notice of dividends:*

Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

152. *Dividends not be bear interest:*

No dividends shall bear interest against the Company.

53. *Transfer of shares not to pass prior to dividends:*

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

154. *Unpaid or Unclaimed Dividend:*

(a) Where the Company has declared a dividend but which has not been paid or claimed within 42 days from the date of declaration, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 42 days, to a special account to be opened by the Company in that behalf in any scheduled bank called "Unpaid Dividend of Kumar Urban Development Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education And Protection Fund established under section 205C of the Act.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board.

CAPITALISATION OF PROFITS

155. Capitalisation of Profits:

(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(vi) That it is desirable to capitalizate any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(vii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares held by such members respectively

(ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

156. Power of Directors for declaration of bonus issue:

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(ii) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(iii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members , credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

157. Books of Account to be kept:

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made upto date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

158. Where Books of accounts to be kept:

The Books of Account shall be kept at the Registered Office or at such other place in India as the Directors think fit.

159. Inspection by Members:

No member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute.

160. Boards Report to be attached to Balance Sheet:

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation it its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (1) to (3) of this Article are complied with.

AUDIT

161. Accounts to be audited:

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Sec. 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with provisions of Sec. 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Sec. 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

162. *Audit of Branch Offices:*

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

163. *Remuneration of Auditors:*

The remuneration of the Auditors shall be fixed by the Board as authorized in General Meeting from time to time.

164. *Service of document on the Company:*

A document may be served on the Company or an officer by sending it to the Company or officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the Registered Office.

SERVICE OF DOCUMENTS AND NOTICE

165. *Service of Notice on Company:*

a) A notice may be served on the company or an office thereof by sending it to the company or officer at the registered office of the company by post under a certificate of posting or by registered post or by leaving it at its registered office.

The term "Notice" in this and the following clauses shall include summons, notice, requisition, order or legal process and any document in relation to or winding up of the company.

165A *Service of Notice on Registrar*

A notice may be served on a Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

165B. *How -Document is to be served on members*

A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.

All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

Where a document is sent by post:

Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

Unless the contrary is provided, such service shall be deemed to have been effected

a. In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

b. In any other case, at the time at which the letter would be delivered in ordinary course of post.

166. Members to notify address in India:

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

167. Service on members having no registered address:

If a member has no registered address in India, and has not supplied to the Company and address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

168. Service on persons acquiring shares on death or insolvency of members:

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled , or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

169. Persons entitled to notice of General Meetings:

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

To the members of the Company as provided by these presents

To the persons entitled to a share in consequence of the death or insolvency of a member.

To the Auditors for the time being of the Company; in the manner authorized by as in the case of any member or members of the Company.

170. Notice by advertisement:

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

171. Members bound by document given to previous holders:

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such share.

172. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

173. *Authentication of documents and proceedings:*

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.

WINDING UP

174. Application of assets:

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.

175. Division of assets of the Company in specie among members:

If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

176. Director's and others' right to indemnity:

(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court.

177. Not responsible for acts of others:

(a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office of in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECRECY CLAUSE

178. Secrecy:

No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.

179. Duties of Officers to observe secrecy:

Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated September 29, 2009 to the BRLM from our Company appointing them as the BRLM.

2. Memorandum of Understanding amongst our Company and the BRLM dated September 29, 2009.

1.

3. Escrow Agreement dated [•], between the Company, the BRLM, the Escrow Banks, and the Registrar to the Issue.

4. Syndicate Agreement dated [•], between the Company, the BRLM, and the Syndicate Members.

5. Underwriting Agreement dated [•], between the Company, the BRLM, and Syndicate Members.

7. Agreement amongst our Company and the Registrar to the Issue dated September 29, 2009

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Resolutions of the general body for appointment and remuneration of our whole-time Directors.

6. Statement of Tax Benefits from Lodha and Co, Chartered Accountants dated September 25, 2009; Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.

7. Statements of Assets and Liabilities and Summary Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the years ended March 31, 2009, 2009, 2007, 2006 and 2005 audited by Lodha and Co, Chartered Accountants and their audit report on the same, both dated September 25, 2009.

8. Certificates dated September 29, 2009 from RSVA & Co, Chartered Accountants (regarding objects of the Issue).

9. Copies of annual reports of our Company and Subsidiaries for the years ended March 31, 2009, 2008, 2007, 2006 and 2005.

10. Consent of Lodha and Co, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements as at and for the each of the years ended March 31, 2009, 2008, 2007, 2006 and 2005 in the form and context in which they appear in the Draft Red Herring Prospectus.

11. Consents of Bankers to the Company, the Auditors, Bankers to the Company and Bankers to the Issue; Book Running Lead Manager to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, Domestic Legal Advisors to the Issue, Domestic Legal Advisors to the Company, IPO Grading agency, Architects and Company Secretary and Compliance Officer, as referred to, in their respective capacities.

12. General powers of attorney executed by our Directors in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

13. Certificates dated September 14, 2009 of Bapat Valuers & Consultants Private Limited; September 25, 2009 of Neeraja Purandare; and Nandapurkar & Associates.

14. Due diligence report issued by Rajani & Co, in relation to the lands of the Company.

15. Initial listing applications dated [•], and [•], filed with BSE and NSE respectively.

16. In-principle listing approval dated [●] and [●] from BSE and NSE respectively.

17. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated December 13, 2007.

18. Agreement between CDSL, our Company and the Registrar to the Issue dated September 15, 2009.

19. Due diligence certificate dated September 30, 2009 to SEBI from the BRLM.

20. SEBI observation letter No. [●] dated [●].

21. IPO Grading report from [●].

22. Auditors certificate for working of Distributable profit, Net Worth, Net tangible assets and Monetary assets for the year ended March 31, 2009, 2008, 2007, 2006 and 2005 dated September 29, 2009.

23. MOU between our Company and Khira Nagar Co-operative Housing Societies Association Limited dated September 24, 2009

24. Share purchase and subscription agreement dated May 29, 2008 entered into between LSO SUBCO No.4 Company and LREF SUBCO No. 4, the Company, Mr. Lalitkumar Jain and KBTVPL pursuant to which the investors have agreed to purchase from the Company and the Promoter, an aggregate of 543,479 equity shares of KBTVPL for a total consideration of Rs. 200 million and subscribe to 2,173,913 equity shares of KBTVPL for a total subscription price of Rs. 800 million.

25. Debenture subscription agreement dated June 16, 2009 between RVPPL, our Company, ICICI Prudential Asset Management Company Limited, and Mr. Lalitkumar Jain by which the Subscriber has subscribed to 3,037,961 fully paid up optionally convertible debentures of RVPPL at a total consideration price of Rs. 303,796,100.

26. MOU entered into by PMRPL with the following land owners; dated February 17, 2006 with Macchindra E. Sakhare and others; dated February 20, 2006 with Hirabai R. Sakhare ; dated May 30, 2006 with Pradeep G. Kumar and others ; dated July 19, 2006 with Sanjay W. Sathe and others ; dated February 17, 2006 with Dattatraya M. Janbhulkar ; dated May 08, 2008 with Namdeo D. Sakhare and others ; dated June 17, 2008 with Balu K. Sakhare and others ; dated June 17, 2008 with Antu K. Sakhare and others.

27. MOU entered into by PMRPL with the following land owners ; dated April 02, 2006 with Balu D. Padale ; dated March 29, 2006 with Haribhau K. Padale and others ; dated March 25, 2006 with Prabhakar P. Kolekar and other ; dated May 05, 2006 with Kamlabai S. Kolekar & Others ; dated April 13, 2006 with Dnynu K. Kolekar ; dated June 17, 2006 with Nivrutti D. Padale and others ; dated August 24, 2006 with Balu S. Kolekar ; dated December 29, 2006 with Ashok M. Padale.

28. Letter of Intent dated January 01, 2007 from Khira Nagar Co-operative Housing Societies Association Limited

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of the Company

Mr. Lalitkumar jain	Ms. Kruti Jain
Mr. Shailesh Hingarh	Mr. Kishore Laxminarayan Biyani
Mr. Prakash Chandrashekhar Bhalerao	Mr. Gaurav Dalmia
Mr. Nachiket Joshi	

Director Finance

Date: September 30, 2009
Place: Pune

IPO GRADING REPORT