

DRAFT RED HERRING PROSPECTUS

Dated December 29, 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 Built Issue**NEPTUNE DEVELOPERS LIMITED**

Our company was originally incorporated as 'Neptune Developers Private Limited' on July 15, 2004 under the Companies Act, 1956 as amended from time to time (the "Companies Act") as a private limited company with the Registrar of Companies, Mumbai ("RoC"). Our Company was converted to a public company pursuant to a shareholders' resolution dated October 14, 2009 and its name was changed to 'Neptune Developers Limited'. The RoC has issued a fresh certificate of incorporation consequent to the conversion and change in name on November 12, 2009. For further details on the change in status and name, please refer to the section titled "History and Certain Corporate Matters" beginning on page 109 of this Draft Red Herring Prospectus.

Registered and Corporate Office: Neptune House, Karma Stambh Building, 3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

For details on the change in our registered office, please refer to the section titled "History and Certain Corporate Matters" beginning on page 109 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer: Ms. Siddhi Shah
Tel: +91 22 6777 0600. **Fax:** +91 22 6777 0640. **Email:** compliance@neptunegroup.in **Website:** www.neptunegroup.in

PROMOTERS OF THE COMPANY: MR. NAYAN BHEDA, MR. SACHIN DESHMUKH, MR. NAYAN SHAH, MR. MAHESH SHETTY, MR. CHETAN BHEDA, MR. ANIMESH DHARAMSI AND NMS HOLDINGS PRIVATE LIMITED

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS. 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF RS.[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) OF NEPTUNE DEVELOPERS LIMITED ("NDL", "COMPANY" OR "THE ISSUER") AGGREGATING UPTO RS. 4,950 MILLION (THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE OF [●] EQUITY SHARES BY NDL (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 3,166,498 EQUITY SHARES BY INDIAREIT FUND – SCHEME III ACTING THROUGH ITS TRUSTEE IL&FS TRUST COMPANY LIMITED (THE "SELLING SHAREHOLDER") (THE "OFFER FOR SALE"). THE ISSUE SHALL CONSTITUTE [●] OF THE FULLY DILUTED POST-ISSUE SHARE CAPITAL OF OUR COMPANY.

PRICE BAND: Rs.[●] TO Rs.[●] PER EQUITY SHARE.
THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE.

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

Pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") read with Regulation 41(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), this being an Issue for less than 25% of the post Issue share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to qualified institutional buyers ("QIBs"). Provided that, the 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. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

Retail Individual Bidders, who are Indian residents, may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the section titled "Issue Procedure" beginning on page 238 of this Draft Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares. **The face value of the Equity Shares is Rs.10 each. The Floor Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.** The Issue Price (has been determined and justified by the BRLM, by our Company and the Selling Shareholder as stated in the section titled "Basis for Issue Price" beginning on page 56 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in this 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 section titled "Risk Factors" beginning on page xiii of this Draft Red Herring Prospectus.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

The Issuer and the Selling Shareholder having made all reasonable inquiries, accept responsibility for, and confirm that this Draft Red Herring Prospectus contains all information with regard to the Issuer, the Selling Shareholder and this Issue, which is material in the context of this 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.

IPO GRADING

Pursuant to the SEBI ICDR Regulations, this Issue has been graded by [●] and has been assigned a grade of [●]/5 indicating [●] which is valid for a period of [●]. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For more information on the IPO Grading, see the section titled "General Information" and "Annexure I" beginning on pages 19 and 307 of this Draft Red Herring Prospectus, respectively.

LISTING

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

SOLE BOOK RUNNING LEAD MANAGER

ENAM
ENAM SECURITIES PRIVATE LIMITED
801, Dalamal Tower
Nariman Point
Mumbai 400 021, India
Tel: +91 22 6638 1800
Fax: +91 22 2284 6824
E-mail: neptune ipo@enam.com
Investor Grievance E-mail: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Pranav Mahajani
SEBI Registration No.: INM000006856

REGISTRAR TO THE ISSUE

LINK INTIME
INDIA PVT LTD
(Formerly NTA SECURITIES PRIVATE LTD)
LINK INTIME INDIA PRIVATE LIMITED
C 13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078, India
Tel: +91 22 2596 3838
Fax: +91 22 2594 6969
E-mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. N. Mahadevan Iyer
SEBI Registration No: INR000004058

ISSUE SCHEDULE

BID/ISSUE OPENS ON	[●]#	BID/ISSUE CLOSES ON	[●]#
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Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date.

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SECTION I – GENERAL

Definitions and Abbreviations

All capitalised terms and abbreviations used in this Draft Red Herring Prospectus shall have the meaning ascribed to them below, unless defined elsewhere in this Draft Red Herring Prospectus or unless the context otherwise indicates.

Issuer Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The committee described in the section titled “ Management ” beginning on page 142 of this Draft Red Herring Prospectus
Auditors	The statutory auditors of our Company, M/s. Shaparia and Mehta, Chartered Accountants
Board or Board of Directors	The board of directors of our Company
Completed Projects	Our projects where the construction has been completed and the occupation certificate has been applied for, or obtained by us
Developable Area	Total area which we develop in each project, and include carpet area, common area, service and storage area, as well as other open area, including car parking
Directors	The directors of our Company, as specifically set out in the section titled “ Management ” beginning on page 142 of this Draft Red Herring Prospectus
Forthcoming Projects	Our projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) if required, change of land use has been completed, or an application for change in land use has been submitted to the relevant authorities; and (iii) management’s project development plans are complete
Group Companies	Companies, firms and ventures promoted by the Promoters (irrespective of whether such entities are covered under Section 370 (1)(B) of the Companies Act or not). For more details, please see the section titled “ Promoters and Group Companies ” beginning on page 155 of this Draft Red Herring Prospectus
Key Management Personnel	Those individuals described in the section titled “ Management – Key Managerial Personnel ” beginning on page 153 of this Draft Red Herring Prospectus
Land Reserves	Land to which the Company has title, or land from which the Company can derive economic benefits through a documented framework (such as with third party individuals or corporate entities), or land in relation to which the Company has executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it
Material Land Agreements	A land agreement disclosed shall be considered to be material if the value of such land is 10% or more of the aggregate agreement value of lands falling in the section titled “ Our Land Reserves ” beginning on page 91 of this Draft Red Herring Prospectus
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
NDL, “the Company”, “our Company” or “the Issuer”	Neptune Developers Limited, a public limited company incorporated in India under the Companies Act, having its registered and corporate office at Neptune House, Karma Stambh Building, 3 rd Floor, Opposite MTNL Office, L.B.S. Marg, Vikhroli (W), Mumbai 400 083, Maharashtra, India
Ongoing Projects	Our projects for which the excavation work has commenced
Promoters	The promoter(s) of our Company being Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Nayan Shah, Mr. Mahesh Shetty, Mr. Chetan Bheda, Mr. Animesh Dharamsi and NMS Holdings Private Limited
Promoter Group	The individuals, companies and entities as enumerated in “ Promoters and Group Companies ” beginning on page 155 of this Draft Red Herring Prospectus
Proposed Projects	Land to which we have title, or land from which we can derive economic benefits through a documented framework (such as with third party individuals or corporate entities), or land in relation to which we have executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it, and we are yet to apply for any land-related approvals for each of the same
Registered Office	The registered office of our Company, which, as at the date of this Draft Red Herring Prospectus, is located at Neptune House, Karma Stambh Building, 3 rd Floor, Opposite MTNL Office, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
Saleable Area	That part of the Developable Area relating to our economic interest in each property
Selling Shareholder	IndiaREIT Fund- Scheme III, represented through its Trustee, IL&FS Trust Company Limited, a company incorporated under the Companies Act and having its registered office at The IL&FS Financial Centre, Plot C-22, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051, India, wherein IndiaREIT Fund is registered as a venture capital fund under the SEBI (Venture Capital Funds) Regulations, 1996, as amended from time to time, bearing registration number

All references to the term “Selling Shareholder” in this Draft Red Herring Prospectus will mean the Selling Shareholder acting through its Trustee, unless specified otherwise

Subsidiaries	The subsidiaries of the Company, being: <ul style="list-style-type: none"> • Deshmukh Projects Developers Private Limited; • Juhi Realtors Private Limited; • Kavya Realtors Private Limited; • Neptune Homes Private Limited; • Neptune Housing and Realty Private Limited; • Neptune Realtors and Developers Private Limited; • Neptune Realty and Property Management Private Limited; • Neptune Residency Private Limited; and • Neptune Ventures and Developers Private Limited
Trustee	IL&FS Trust Company Limited, a company incorporated under the Companies Act and having its registered office at The IL&FS Financial Centre, Plot C-22, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051, India, trustee to the Selling Shareholder
“We”, “us” and “our”	Unless the context otherwise requires or implies, Neptune Developers Limited, together with its Subsidiaries, associates and partnership firm, as enumerated in the section titled “ History and Certain Corporate Matters ” beginning on page 109 of this Draft Red Herring Prospectus, on a consolidated basis and especially in the context of the sections titled “ Business ” and “ Objects of the Issue ” beginning on pages 74 and 47 of this Draft Red Herring Prospectus

Issue Related Terms

Term	Description
Allotment/Allot	Unless the context otherwise requires, shall mean the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom Equity Shares are being/ have been Allotted
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Issue Period	The day one day prior to the Bid/Issue Opening Date on which Bidding by Anchor Investors shall open and shall be completed
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 the Company and the Selling Shareholder, in consultation with the BRLM
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	Upto 30% of the QIB Portion, equal to a maximum [●] of Equity Shares to be allocated to the Anchor Investors on a discretionary basis, out of which [●] Equity Shares shall be reserved for Mutual Funds
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSBs to block the Bid Amount in his/her specified bank account maintained with the SCSBs
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder, as specified in the ASBA Form
ASBA Bid cum Application Form or ASBA Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with a single option as to the number of Equity Shares; (ii) is applying through blocking of funds in a bank account with the SCSBs; (iii) has agreed not to revise his/her Bid; and (iv) is not bidding under any of the reserved categories
ASBA Public Issue Account	A bank account of the Company, under Section 73 of the Companies Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Bankers to the Company	Axis Bank Limited and Indian Bank
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are the clearing members and registered with SEBI as Bankers to the Issue and which is described in the “ Issue Procedure- Basis of Allocation ” beginning on page 259 of this Draft Red Herring Prospectus
Basis of Allocation	The basis on which the Allotment shall be made as described in the section titled “ Issue Procedure – Basis of Allocation ” beginning on page 259 of this Draft Red Herring Prospectus

Term	Description
Bid	An indication to make an offer during the Bidding Period by a Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to our Equity Shares 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 at Cut-off Price
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
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 in case of ASBA Bidders, the Bid amount mentioned in the ASBA Form
Bidding Centre	Centres established by the Escrow Collection Banks for acceptance of the Bid cum Application Form
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 a Marathi national newspaper (which is also the regional newspaper), each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations
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 issue the 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
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 a Marathi national newspaper (which is also the regional newspaper), each with wide circulation
Bidding 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	The prices indicated within the optional Bids in the Bid cum Application Form
Book Building Process	Book building process 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, the sole book running lead manager
Business / Working Day	Any day other than Saturday and Sunday on which commercial banks in Mumbai, India 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 finalized and above which no Bids will be accepted, including any revisions thereof
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate 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	Any price within the Price Band finalised by the Company, in consultation with the BRLMs, at which Retail Individual Bidders are entitled to Bid for Equity Shares of an amount not exceeding Rs. 100,000
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996, as amended from time to time
DP ID	Depository Participant's identity
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended, being NSDL and CDSL
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/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Bidders 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 the Allottees
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated December 29, 2009 filed with SEBI and issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue

Term	Description
DRHP Date	The date on which the IPO committee of the Company approved the filing of the DRHP being December 29, 2009
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares
Enam	Enam Securities Private Limited
Equity Shares	The equity shares of our Company bearing a face value of Rs. 10 each
Escrow Account/(s)	Account/(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (including the Anchor Investor and excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among the Company, the Selling Shareholder, the Registrar, the BRLM, the Syndicate Member and the Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s) which 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 the 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 finalized and below which no Bids will be accepted including any revisions thereof
Fresh Issue	The issue of [●] Equity Shares by the Company offered for subscription pursuant to the terms of the Red Herring Prospectus
IPO Grading Agency	[●]
Issue	This public issue of [●] Equity Shares at the Issue Price by the Company, aggregating upto Rs. 4,950 million, which includes the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement entered into by and between the Company, the Selling Shareholder and the BRLM on December 28, 2009, pursuant to which certain <i>inter se</i> arrangements have been agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted, as determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, which may range between 10% to 100% of the Bid Amount
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds 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
Net Proceeds	Proceeds of the Issue that are available to the Company, excluding the Issue related expenses and the proceeds from the Offer for Sale
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors, being a minimum of [●] Equity Shares to be allotted to QIBs on a proportionate basis
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
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 10% of the Issue consisting of [●] Equity Shares available for allocation to Non Institutional Bidders
Offer for Sale	Offer for sale of 3,166,498 Equity Shares of Rs. 10 each by the Selling Shareholder
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 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
Payment through electronic transfer of funds	Payment through ECS, Direct Credit or RTGS, as applicable

Term	Description
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 size for the Issue will be decided by the Company and the Selling Shareholder, in consultation with the BRLM, and advertised, at least two working days prior to the Bid/ Issue Opening Date, in [●] edition of [●] in the English language, [●] edition of [●] Hindi language and in [●] edition of [●] in the Marathi language
Pricing Date	The date on which the Company and the Selling Shareholder, in consultation with the BRLM, will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulation, containing, <i>inter alia</i> , 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 by our Company and the Selling Shareholder with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date and the ASBA Accounts on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submission of their Bid
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, 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 published in the Gazette of India. Foreign Venture Capital Investors registered with SEBI, multilateral and bilateral financial institutions, foreign investors, other than Eligible NRIs and FIIs, are not eligible to participate in this Issue
QIB Portion	The portion of the Issue being at least 60% of the Issue consisting of [●] Equity Shares, to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion
Refund Accounts	Accounts opened with Refund Banker(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Banker(s)	The bank(s) which is a/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue in this case being Link Intime India Private Limited, having its office at C 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, India
Resident Retail Individual Bidder/Investor	Retail Individual Bidder/Investor who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an amount not more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) and ASBA Bidders who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 30% of this Issue, consisting of [●] Equity Shares available for allocation to Retail Bidder(s) on a proportionate basis
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Red Herring Prospectus/RHP	The Red Herring Prospectus which will be filed with RoC in terms of Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulations and which does not contain, <i>inter alia</i> , complete particulars of the price at which the Equity Shares are offered and the size (in terms of value) of this Issue, at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date
SEBI Act	SEBI Act, 1992, as amended from time to time
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
Self Certified Syndicate Bank/ SCSBs	A banker to the Issue registered with SEBI, which offers services in relation to ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
SCSB Agreement	The agreement to be entered into between the SCSBs, the Book Running Lead Manager, the Registrar to the Issue, the Company and the Selling Shareholder only in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the ASBA Public Issue Account
Stock Exchanges	The BSE and the NSE
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended from time to time
“Syndicate” or “members of the	The BRLM and the Syndicate Member

Term	Description
Syndicate”	
Syndicate Agreement	Agreement among the Syndicate, the Company and the Selling Shareholder in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
TRS/ Transaction Registration Slip	The slip or document issued only on demand by the Syndicate or the SCSBs to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Member
Underwriting Agreement	The Agreement between the Underwriters and the Company to be entered into on or after the Pricing Date

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
Act or Companies Act	The Companies Act, 1956 amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
AY	Assessment Year
BPLR	Benchmark Prime Lending Rate
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Civil Code	The Code of Civil Procedure, 1908
DIN	Director’s Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
ESI	Employee’s State Insurance
ESIC	Employee’s State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
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 to a Person Resident Outside India) Regulations, 2000 amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year/ Fiscal/ FY	Period of twelve months commencing from April 1 to March 31 of the subsequent year, unless otherwise stated
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
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standard
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Ltd.	Limited

Term	Description
MIBOR	Mumbai Inter-Bank Offer Rate
Mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NEFT	National Electronic Fund Transfer
No.	Number
NOC	No Objection Certificate
NR/Non Residents	Persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEM (Transfer or Issue of Security by a Person Resident Outside India) 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/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000, as amended from time to time
p.a.	Per annum
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
P/E Ratio	Price/Earnings Ratio
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
Pvt.	Private
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra, having its office at Everest, 100 Marine Drive, Mumbai 400 002, Maharashtra, India
RoNW	Return on Net Worth
Rs./INR	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
Sec./S.	Section
SIA	Secretariat for Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Securities Act	The U.S. Securities Act of 1933, as amended from time to time
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
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time
Trademark Act	Trademark Act, 1999, as amended from time to time
UIN	Unique Identification Number
U.S./ US / USA / United States	The United States of America, including its territories and possessions, any state of the United States and the District of Columbia
USD/ US\$	United States Dollars, the legal currency of the USA
US GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture Capital Funds as registered with SEBI and under the SEBI (Venture Capital Funds) Regulations, 1996 as amended from time to time
w.e.f.	With effect from

Technical and Industry-Related Terms and Abbreviations

Term	Description
Acre	Equals 43,560 Sq. Ft. or 100 cents
BHK	Bedroom, hall and kitchen
CC	Commencement Certificate
C.S. No.	Cadastral Survey Number
CTS No.	City Survey Number
DCR	Development Control Regulations for Greater Mumbai, 1991 amended from time to time
FSI/FSA	Floor Space Index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot
HUDCO	Housing and Urban Development Corporation
IOD	Intimation of Disapproval
LOI	Letter of Intent
MBRRB	Mumbai Building Repair and Reconstruction Board, constituted under the MHADA Act
MCGM	Municipal Corporation of Greater Mumbai
MHADA	Maharashtra Housing Area Development Authority
MHADA Act	Mumbai Housing Area Development Authority Act, 1976
MICR	Magnetic Ink Character Recognition
MMRDA	Mumbai Metropolitan Region Development Authority
MMR/Mumbai Metropolitan Region	An area comprising Mumbai city district, Mumbai suburban district, Thane district (part) and Raigad district (part)
MoU	Memorandum of Understanding
MRCA	The Maharashtra Rent Control Act, 1999
Sq. Ft.	Square Feet
Sq. metres/ Sq. mtr.	Square Metres
SRA	Slum Rehabilitation Authority, as established under the MHADA Act
SRS	Slum Rehabilitation Scheme
TDR	Transferable Development Rights, which means when in certain circumstances, the development potential of land may be separated from the land itself and may be made available to the owner of the land in the form of transferable development rights
TPA	Transfer of Property Act, 1882
ULCRA	Urban Land (Ceiling and Regulation) Act, 1976, as may be in force for the time-being

Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation

Financial Data

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

There are significant differences between Indian GAAP and IFRS or US GAAP. We have not attempted to quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this 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.

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

Currency of Presentation

All references to “**Rupees**” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India. All references to “**US\$**” or “**USD**” are to United States Dollars, the official currency of the United States of America. This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated above or at all. 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. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this 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”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

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

1. General, political, economic, social and business conditions in India, including but not limited to, the fluctuations in and the overall performance of the real estate market in the country, including Mumbai Metropolitan Region;
2. Performance of the Indian debt and equity markets;
3. Occurrence of natural calamities or natural disasters affecting the areas in which the Company has operations;
4. Changes in laws and regulations that apply to companies in India, including changes in the Slum Rehabilitation Scheme currently in effect in the Mumbai Metropolitan Region;
5. Changes in the foreign exchange control regulations in India;
6. The continuing success of the Company’s business model;
7. The availability of real estate financing in India;
8. The timely completion of the Company’s projects;
9. The ability of the Company to finance its business and growth; and
10. Other factors discussed in this Draft Red Herring Prospectus, including under the section titled “**Risk Factors**” beginning on page xiii of this Draft Red Herring Prospectus.

For further discussion of factors that could cause our actual results to differ, see the sections titled “**Risk Factors**”, “**Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” as reflected in the section titled “**Financial Statements**” beginning on pages xiii, 74, 176 and F-1, respectively, of this Draft Red Herring Prospectus. Neither our Company, its Directors and officers, the Selling Shareholder, the Trustee, the Trustee’s officers and directors, any Underwriter nor any of their respective affiliates or associates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying event, even if the underlying assumptions do not come to finalisation. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the commencement of listing and trading on the Stock Exchanges of the Equity Shares allotted pursuant to this Issue.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high 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.

The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The risks and risk factors set forth below are not an exhaustive list of the risks currently facing us or that may develop in the future.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and all or part of your investment may be lost. In addition, you should be aware that we are incorporated in India and operate in a legal and regulatory environment which may differ from that which prevails in other countries. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with unconsolidated financial statements of the Company as of and for the three month period ended June 30, 2009, Fiscals 2009, 2008, 2007, 2006 and 2005 and consolidated financial statements of the Company as of and for the three month period ended June 30, 2009, Fiscals 2009, 2008 and 2007, in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus.

Risks Relating to the Company

1. *There are criminal proceedings pending against two of our Promoters.*

Mr. Nayan Shah, one of our Promoters, is involved in a criminal proceeding wherein the Bombay Mercantile Co-operative Bank has filed a criminal complaint against him and others on the grounds of aiding the grant of bogus loans from the said bank. The matter is pending in the Court of the Metropolitan Magistrate at Bombay and is due to come up on January 21, 2010. In the event the charges against Mr Nayan Shah are proved, he may be subject to punishment extending to a fine and a term of imprisonment of up to three years.

Further, a first information report dated April 17, 2009 has been lodged against our Promoter, Mr. Mahesh Shetty at the Igatpuri Police Station, Igatpuri, Nashik District, Maharashtra alleging unlawful assembly, rioting, rioting when armed with a deadly weapon and wrongful confinement of several persons. No proceeding is currently pending in this case.

Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, could have a material adverse impact on our business and reputation or cause the price of our Equity Shares to decline. Any such fine or imprisonment may adversely affect our business, prospects, results of operation and financial conditions. For further details, see section titled "**Outstanding Litigation and Material Developments**" beginning on page 201 of this Draft Red Herring Prospectus.

2. *The industry in which we operate is competitive and our growth strategy for our real estate development business to expand into new geographical areas exposes us to increased competition and may not be successful.*

The real estate development industry is fragmented throughout India with a large number of existing and new companies active in the real estate sector, some of which undertake projects similar to ours in the same regional markets in which we propose to develop our projects. We may find that some of our competitors have greater resources (including financial, land resources, and other types of infrastructure) to take advantage of efficiencies created by size, and access to capital at lower costs and that they have a brand recall and relationships with homeowners. They may enjoy better relationships with landowners and joint venture partners, gain early access to

information regarding attractive parcels of land and may be better placed to acquire such land. Such competition would considerably affect our ability to acquire our land which may hinder our growth. Our success in the future will depend significantly on our ability to maintain and increase market share in the face of such competition, particularly if we expand into areas outside MMR where we do not have any significant current market share.

We compete with other retail real estate developers seeking suitable retail tenants and our tenants in retail properties may compete with other retail distribution channels, including department stores and malls, in attracting customers. Similarly, we must also compete with an increasing number of commercial real estate developers. Increasing competition could result in price and supply volatility, this could adversely affect our business, prospects, financial condition and results of operations.

We intend to expand our business to new geographic areas outside of our traditional focus area of MMR. There can be no assurance that our development plans or any investment in areas outside MMR will be successful. We have limited experience in conducting our business outside MMR and we may find that we expend resources attempting to gain a foothold in new markets to the detriment of our market position in MMR.

We also face risks with projects in geographic areas in which we do not possess the same level of familiarity with the development, ownership and management of properties, including:

- adjusting our construction methods to different geographies;
- creating new designs to cater for different local environments;
- establishing good relations with the local landowners and joint venture partners;
- obtaining the necessary construction and raw materials and labour in sufficient amounts and on acceptable terms;
- obtaining necessary governmental approvals and building permits under unfamiliar regulatory regimes; and
- hiring new employees and acquiring infrastructure at reasonable cost.

We may not be able to successfully manage the risks of such an expansion, which could adversely affect our business, prospects, financial condition and results of operations.

3. ***As part of our growth strategy we plan to enter the slum rehabilitation and redevelopment segment. However, we can provide no assurances that we will be able to successfully compete in this segment.***

As part of our growth strategy, we intend to focus on the slum rehabilitation and redevelopment segment in the immediate future. We have limited experience in this segment in comparison with the experience we have in our other business lines and we may be unable to compete effectively with our competitors in this area.

Further, the slum rehabilitation and redevelopment segment exposes us to additional risks. For example, in order to redevelop on these lands we will need to manage the displacement of a large number of people. If we face resistance or disagreement from the occupiers we may need to seek and enforce court orders to move existing tenants of the land. This could lead to significant delays and cause cost overruns that could adversely affect our business, prospects, financial condition and results of operations.

No assurance can be given that we will be able to anticipate and implement measures, in a timely manner, so as to generate sustainable profits, or any profits at all, in the slum rehabilitation and redevelopment segment. Our inability to succeed in this segment could adversely affect our business, prospects, financial condition and results of operations.

4. ***Our strategy to venture into affordable housing segment may not be successful.***

We are currently engaged in the development of real estate properties (commercial and residential) in various locations in India. We propose to develop residential projects which are affordable (less than Rs. 1 million per unit) in Ambivali (Kalyan), Pune and Nagpur. We currently have an Ongoing Project for affordable housing in Ambivali (Kalyan) and three forthcoming Projects for affordable housing in Ambivali (Kalyan), Pune and Nagpur. This market

segment is a relatively new business in the Indian real estate industry and offers lower margins. We cannot assure you that we will be successful in this venture or that we will be able to generate positive returns on our investments in such projects which could adversely affect our business, prospects, financial condition and results of operations.

5. ***We are a company with limited operating history and therefore investors may not be able to assess our prospects on the basis of past results.***

We were incorporated as a private limited company in 2004. We do not have significant operating and financial history and therefore, it may be difficult to evaluate our current or future prospects. Our total income on a consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.20 million, Rs. 1,767.49 million, Rs. 4.02 million and Rs. 4.52 million respectively. Our total income on an unconsolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 54.90 million, Rs. 159.19 million, Rs. 42.78 million and Rs. 23.77 million respectively. Our past performance should not be construed as an indication of our future performance. Companies in their early stages of development present substantial business and financial risks and may suffer significant losses. The results of our operations will depend on many factors, including but not limited to, the successful completion of construction of our real estate projects, the availability of further opportunities for the acquisition or development of real estate assets, the successful completion of the construction of our various projects and the availability of finance and general economic conditions in India.

6. ***The Company is in the process of filing a compounding application for violation of the Companies Act and may face certain liabilities as a result.***

The Company is in the process of filing a compounding application with the RoC under Section 621A of the Companies Act for violation of the provisions of Section 297 of the Companies Act, for which the penalty is unquantifiable. We believe the Company shall file the aforesaid compounding application within 30 days from the date of this Draft Red Herring Prospectus. The RoC may at its discretion order to rectify the default with or without payment of penalty. For further details, see the section titled "**Outstanding Litigation and Material Developments**" beginning on page 201 of this Draft Red Herring Prospectus.

7. ***The Company, some of its Promoters, Subsidiaries, Group Company and associates, are involved in certain legal proceedings.***

There are outstanding legal proceedings against us that are incidental to our business and operations. See section titled "**Outstanding Legal and Material Developments**", beginning on page 201 of this Draft Red Herring Prospectus. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such legal proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse judgment in any of these legal proceedings could have an adverse impact on our business and reputation.

Legal proceedings against the Company, Promoters, Subsidiaries, Group Company and associates (in addition to the criminal proceedings against our Promoters as stated above)

Sl. No.	Name of entity/person	Civil case	Criminal case	Amount claimed (in Rs. million)
1.	<i>Company</i>			
	Neptune Developers Limited	2	0	On account of being declaratory suits, there are no monetary liabilities involved in these cases.
2.	<i>Promoter-Directors</i>			
	Mr. Nayan Bheda	1	0	7.47
	Mr. Sachin Deshmukh	1	0	7.47
3.	<i>Subsidiaries</i>			
	Neptune Ventures and Developers Private Limited	3	0	On account of being declaratory suits, there are no monetary liabilities involved in these cases.
4.	<i>Associate</i>			
	Neptune Enclave Private Limited	2	0	803.60

Sl. No.	Name of entity/person	Civil case	Criminal case	Amount claimed (in Rs. million)
5.	Group Company			
	Mahesh Tutorials, Mulund	1	0	0.617

Legal proceedings relating to our land

We have a total land area allocated to our Completed, Ongoing, Forthcoming and Proposed Projects of approximately 15,441,106.05 sq. ft. as of November 30, 2009, of which approximately 981,624.6 sq. ft. are subject to litigation proceedings. These represent the proceedings initiated against us, as no proceedings have been initiated by us relating to our land.

There are certain parcels of land which form part of our projects that are currently subject to litigation. For further details, see section titled "**Outstanding Litigation and Material Developments**" beginning on page 201 of this Draft Red Herring Prospectus. We cannot assure you that we will be successful in defending our claim in such matters. In the event that there is an adverse ruling, this may significantly affect our interest in the relevant land. Further, our projects may also be affected and we may not be able to complete them in time, or complete them at all.

In the interests of time, we have commenced work on certain properties that are presently subject to legal proceedings which may not be decided in our favour. The investments made and work done with relation to such properties may be lost entirely, in addition to the Company having to pay any damages or compensation sought by the opposing parties.

In the past, we have entered into additional litigation to perfect title to our land before we are able to commence development of it and we may have to do so in the future as well

8. ***Our business is capital intensive and if we are unable to obtain the necessary funds on acceptable terms, we may not be able to fund our real estate projects and our business may be adversely affected.***

The development of real estate projects is capital intensive and requires significant capital expenditure. Our total expenditure on a consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 257.40 million, Rs. 1,975.34 million, Rs. 2,651.06 million and Rs. 965.57 million respectively. Whilst, we may approach various banks and financial institutions for financial commitments, these commitments are generally subject to a number of conditions precedent. We may not be able to fulfill all or any of the conditions or agree on commercial or other terms with these banks and financial institutions, in which case they would have no obligation to provide us with any lending. Our ability to finance our capital requirements on acceptable terms or at all is also subject to a number of risks, contingencies and other factors, some of which are beyond our control. For example, if we are unable to sell or pre-sell units in our projects, our operational cash flows would decrease, capital requirements may increase and we may need to approach banks and financial institutions for further financing arrangements. If we fail to raise additional funds in such amounts and at such times as we may need, we may be forced to reduce our capital expenditure and construction of real estate projects to a level that can be adequately supported by available funds and resources. This could delay the construction of our projects, which may result in an inability to meet certain obligations under our loan facilities and may result in partial or complete loss of investments in our projects.

9. ***We are subject to risks associated with debt financing from secured and unsecured loans.***

We are subject to the risks normally associated with debt financing. Our consolidated debt for the three-month period ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 and for was Rs. 3,196.40 million, Rs. 2,963.58 million, Rs. 2351.33 million and Rs 837.25 million respectively. The level of debt and the limitations imposed on us by our current or future loan arrangements could have significant adverse consequences, including, but not limited to, the following:

- we may be required to dedicate a portion of our cash flow towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future may be impaired;

- there could be a material adverse effect on our business, prospects, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial covenants of such loan facilities; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

To the extent that we incur floating rate indebtedness for our real estate projects which is not covered by interest rate hedge agreements, changes in interest rates may increase our cost of borrowing, increasing our cost of funds which would impact our profitability and have an adverse effect on our ability to pay dividends to our shareholders. Interest rate increases could result in our interest expense exceeding the income from our property portfolio, which may result in operating losses.

We may also seek to avail of unsecured loans for our financing requirements. Unsecured loans are generally payable on demand. Any such unsecured loan being called for ahead of anticipated time of repayment may adversely affect our business and financial condition.

Any failure by us to service our indebtedness, maintain the required security interests, comply with a requirement to obtain a consent or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, penalties and acceleration of amounts due under such facilities, which could adversely affect our business, prospects, financial condition and results of operations.

10. ***We are subject to restrictive covenants in debt facilities provided to us by our lenders***

There are restrictive covenants in the agreements we have entered into with banks and financial institutions for secured loans. These restrictive covenants require us to obtain either the prior permission of such banks or financial institutions or require us to inform them of various activities, including, among others, alteration of our capital structure, raising of fresh capital or debt, payment of dividends, undertaking new projects or undertaking any merger, amalgamation, restructuring or change in management and further permit the concerned lenders to seek early repayments of, or recall the said loans or enhance the interest rates applicable thereto. Although we have received consents from all our lenders for this Issue, 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 expenditure, 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.

11. ***We have experienced negative cash flows from operating and investing activities in the past years and may do so in the future.***

Our net cash flows from operating activities for the for the three month period ended June 30, 2009 and for the financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 were negative amounting to Rs. 140.58 million, Rs. 1,922.34 million, Rs. 1,535.63 million and Rs. 918.23 million respectively. Our net cash flow from investing activities for the year ended March 31, 2008 and in the year ended March 31, 2007 was negative amounting to Rs. 390.91 million and Rs. 24.3 million respectively. There can be no assurance that we will have positive cash flows from operating and investing activities in the future. Our ability to pay dividends or to generate positive cash flows from operating activities in the future will depend on a number of factors, including our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other similar factors. Any operating losses or negative cash flows in the future could adversely affect our results of operation and financial condition.

12. ***Our statements regarding saleable area, areas under development, developable land and expected launch and completion dates are based on architects' certificates and management estimates.***

The Developable Area, Saleable Area, the acreage and square footage and other land area data relating to our land developments and land reserves and presented in this Draft Red Herring Prospectus is based on certificates prepared by architects and management estimates. However, the acreage and square footage actually developed and sold may differ from the numbers presented herein, based on various factors such as market conditions, title defects and any inability to obtain required regulatory approvals. Any significant variation between (i) the figures for developable land contained in the architects' certificate and our estimates of developable land and (ii) the area actually held or developed could adversely affect the revenues that we generate from our projects, which could adversely affect our business, prospects, financial condition and results of operations.

Further, the expected launch and completion dates of our projects are based on management estimates and are subject to change for various reasons.

13. ***Our business and future results of operations may be adversely affected if we incur any time or cost overruns.***

We have experienced time and cost overrun in relation to one of our projects. There is an ongoing delay and a cost overrun of Rs. 716.29 million in the completion of Magnet Mall, which was scheduled to be completed in Fiscal 2008. The delay is on account of revisions in drawings and designs, which has resulted in an increase in the developable and saleable area and hence resulted in more number of tenants for our Magnet Mall project. However, we cannot assure you that in case of revision in drawing and designs for any of our projects, we will be able to complete all our projects within stipulated budget and/or time schedules.

14. ***We own less than 25% of our total Land Reserves through ourselves.***

We own a total of 2.89 million square feet of land directly through our Company which constitutes 18.79% of our Land Reserves and 29.49% and 22.94% of our total Developable and Saleable Areas respectively. The remainder of our Land Reserves comprises of land which is owned by our Subsidiaries or entities other than our Subsidiaries or over which we have development rights or which are pending private acquisition.

15. ***We sometimes enter into MoU and similar arrangements with third parties to acquire land or land development rights, which entails certain risks.***

We sometimes enter into MoUs and similar arrangements with third parties to acquire title or land development rights with respect to certain land. At present, in addition to development agreements, we have entered into MoUs for our projects in Ambivali. The total land area acquired by MoU for these projects is 5.94 million sq. ft.

Since formal transfer of title or land development rights with respect to such land is completed only after all requisite governmental consents and approvals have been obtained and all conditions precedent to such agreements have been complied with, we are subject to the risk that pending such consents and approvals sellers may transfer the land to other purchasers or that we may never acquire registration of title or land development rights with respect to such land. We also make partial payments to sellers as consideration to acquire certain land or land development rights which we may be unable to recover under certain circumstances. Further, some of our MoUs and similar arrangements have a clause providing for a date by which the sale deed has to be executed. We may not be able to execute the sale deed on such date, which could lead to a loss of any partial payments or a failure to acquire land or land development rights. Our inability to acquire such land or land development rights, or if we fail to recover the partial payment made by us with respect to such land, could adversely affect our business, prospects, financial condition and results of operations.

16. ***Some of our projects are in the preliminary stages of planning and require approvals or permits and we are required to fulfil certain conditions precedent, which may delay our projects and make us incur certain additional costs.***

We must obtain statutory and regulatory approvals or permits at various stages in the development of our projects. For example, we are required to obtain requisite environmental consents, fire safety clearances and commencement, completion and occupation certificates from the relevant governmental authorities. Also, our redevelopment projects depend substantially upon approvals, such as letters of intent, or occupancy certificates, from certain governmental agencies for the replacement of permanent housing for affected tenants. We have applied for, or are in the process of applying for, such approvals or their renewal. For further details, see section titled “**Government and Other**

Approvals” beginning on page 208 of this Draft Red Herring Prospectus. We may not receive such approvals or renewals in the time frames anticipated by us or at all, which could adversely affect our business.

17. ***The success of our retail, commercial and IT/ITES real estate business is dependent on the willingness and ability of corporate customers to pay rent or purchase prices at suitable levels.***

Our retail, commercial and IT/ITES business will target leading Indian and multinational companies. Our growth and success will therefore depend on the provision of high quality office and retail 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. Currently, we are developing one IT project in Thane and four retail projects in Bhandup, Ambivali and Pune and one commercial project in Kurla and if we fail to attract clients who are willing to pay rent or purchase prices at suitable levels for these developments, this will have a negative effect on our business, prospects, financial condition and results of operation. We will incur costs for the integration of modern fittings, contemporary architecture and landscaping. In addition, our commercial customers and potential commercial customers may choose to acquire or develop their own commercial facilities, which may reduce the demand for our commercial properties from these customers.

18. ***The success of our residential projects is dependent on our ability to anticipate and respond to consumer requirements.***

Out of a total of seven of our Ongoing Projects, three are residential projects. Further, out of a total of eight Forthcoming Projects, six are residential projects. As of November 30, 2009, 87.46% of our saleable area constitutes Ongoing and Forthcoming residential projects.

The changing lifestyle and growing disposable income of Indian consumers has resulted in a substantial change in the nature of demands in the high quality luxury sector. Increasingly, consumers are seeking better housing and better amenities in new residential developments. Our residential business requires us to satisfy demanding consumer expectations including 24-hour electricity and running water and amenities such as parking, gardens, playgrounds, swimming pools and fitness centres. If we fail to anticipate and respond to consumer requirements, this could adversely affect our business, prospects, financial condition and results of operations.

19. ***We may incur significant costs if our tenants default on rental payments or renegotiate the rental payments or cancel their lease prior to the completion of the lease period.***

Significant costs are attributed to the development of various projects including the establishment, construction and maintenance of services. These costs, as well as maintenance charges, taxes on the property and stamp duty, are generally indirectly borne by the tenants through the payment of lease rentals. Accordingly, if a tenant defaults on the payment of lease rentals or if a tenant renegotiates the lease payments or cancels the lease prior to the completion of the lease period or if we are otherwise unable to pass such costs to our tenants, we would have to bear such costs. In the event that the number of such defaults, re-negotiations or cancellations of leases becomes significant, this could adversely affect our business, prospects, financial condition and results of operations.

20. ***Our projects are subject to risks associated with the engagement of third party service providers.***

Most of the work on our projects, including architecture, design, construction work and project management, is outsourced to third parties. We will be reliant on such contractors performing these services in accordance with the relevant construction contracts. If we fail to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts our construction projects may not be completed as or when envisaged, if at all, thus leading to unexpected costs. If a contractor engaged to work on a development becomes insolvent, it may prove impossible to recover compensation for such failure or defective work or materials and we may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work.

Further, we may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our present and future projects. As a result, we may be required to make additional investments or provide additional services to ensure adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability and reputation.

If such contractors are unable to perform their contracts, including completing our developments within the specifications, quality standards, time frames specified by us, at the estimated cost, or at all, our business, reputation and results of operations could be adversely affected.

21. ***Our joint development partners and associates may not perform their obligations satisfactorily.***

We have entered into, and may also in the future enter into, development agreements, collaboration agreements, joint ventures and similar arrangements with third parties for the construction and development of some of our projects. We often acquire development rights to the land by virtue of such agreements. Such development rights and other arrangements with our associates may be subject to certain risks, including the following:

- parties granting us development rights may have litigation pending with respect to the land they own or may not have clear ownership or title to such land, as a result of which we may not be able to develop such land;
- the development agreements and collaboration agreements that we enter into or the leases in respect of leasehold lands may impose certain liabilities and obligations on us and the land-owners or may be subject to fulfillment of certain conditions. For instance, in some cases the land-owner is required to obtain the necessary legal and regulatory approvals for the execution of the project;
- the terms of some of these agreements may require us and our associates to take the responsibility for different aspects of the project. For instance, we may be required to obtain the regulatory approvals for the project while our associates may be required to incur certain costs related to development of the project.

In the event that any of the conditions to which we are subject pursuant to the joint development agreements are not satisfied, the land may not become available to us for development. The success of these projects depends significantly on the satisfactory performance by our joint development partners and/or associates. If these entities fail to perform their obligations satisfactorily, we may be required to make additional investments or become liable or responsible for the obligations of these entities in the project, which could result in reduced profits or, in some cases, significant losses and a diversion of our management's attention. In addition, our associates may be unable to successfully complete the construction, development, marketing or sale of the intended project on schedule, at the intended cost or at all. Further, the inability of a joint development partner or associate to continue with a project due to financial or legal difficulties could mean that we would bear increased, or possibly sole, responsibility for the development of the relevant project. This may have a material adverse effect on our business, financial condition and results of operations.

22. ***We are subject to risks in relation to pre-sales made prior to completion of our projects.***

We generally finance our residential projects through pre-sales prior to completion, in line with industry practice, and also finance our developments through progressive payment plans based on the proportion of construction completed. In the event of a failure in the delivery of our pre-sold projects to purchasers, we would be required to refund all proceeds received in connection with pre-sales in respect of the relevant project and we may be liable for any potential losses that purchasers suffer as a result. Our financial resources may be insufficient to do so. There is no assurance that we will not experience significant delays in completion or delivery or that our financial resources will be sufficient to repay pre-payments that we have received. Proceeds from the pre-sale of our projects are an important source of financing for development of our projects. Any restriction on our ability to pre-sell our projects would extend the time period required for recovery of our capital outlay and would result in our needing to seek alternative means to finance the various stages of the development of our projects. This, in turn, could adversely affect our business, prospects, financial condition and results of operations.

23. ***We have not paid dividends in the past and any material adverse effect on our future earnings, financial condition, cash flows will affect our ability to pay dividends in the future.***

The Company has never paid dividends to its equity shareholders in the past. Our ability to pay dividends in the future will depend on the earnings, financial condition and capital requirements and that of our Subsidiaries and the dividends they distribute to us. Our business is capital intensive and we may plan to make additional capital expenditure to complete various real estate projects that we are developing. Our ability to pay dividends is also restricted under certain financing arrangements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our real estate projects, financial condition and results of operations.

24. ***Our success depends in large part upon our Promoters, senior management, directors and key personnel and our ability to retain them and attract new key personnel when necessary.***

Our senior management and key personnel collectively have many years of experience and would be difficult to replace. Further, our success depends in large part on three of our Promoters, Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Nayan Shah. We cannot assure you that we will continue to retain any or all of our senior management or the key members of our management or that we will continue to benefit from the experience of our Promoters. Any loss of our Promoters, senior managers or other key personnel or the inability to recruit further senior managers or other key personnel could impair our future by impairing our day-to-day operations, hindering our development of new projects and harming our ability to develop, maintain and expand client relationships.

25. ***Our Promoters, certain of our Directors and certain Group companies are engaged in business activities similar to ours.***

Some of our Promoters and Promoter Group members are engaged in a similar line of business to ours. For more details regarding our Promoters and Promoter Group members, see section titled "**Our Promoters and Promoter Group Companies**" beginning on page 155 of this Draft Red Herring Prospectus. We cannot assure you that our Promoters will not favour the interests of other Promoter Group members over our interests. The other Promoter Group members, including those in a similar line of business, may dilute our Promoters' attention to our business, which could adversely affect our business, financial condition and results of operations. Commercial transactions in the future between us and related parties could result in conflicting interests. Although we have entered into a non-compete agreement with the Promoter Group members dated December 18, 2009, there can be no assurance that our Promoters or Promoter Group members will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. A conflict of interest may occur between our business and the business of our Promoter Group members which could have an adverse effect on our operations.

26. ***Our Promoters will continue to retain majority control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.***

Upon completion of the Issue, the Promoters will beneficially own [•]% of our post-Issue equity share capital. As a result, the Promoters will have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and Directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoters continue to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoters may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree. Any of the foregoing factors could have a material adverse effect on our business, financial condition and results of operations.

27. ***The interests of certain of our investors may differ from ours.***

Certain offshore and domestic private equity funds, including India Basket Limited and IndiaREIT Enterprise Holdings Limited, have made investments into our Company, Subsidiaries and associates. Such investors may hold different views about various aspects of our business and operations. This and other factors may cause these investors to act in a way that is contrary to our interests, or otherwise be unwilling to fulfill their obligations under the relevant arrangements. Any disputes or conflicts that may arise between us and our investors could cause delays in the completion, or the complete abandonment, of the projects we have undertaken. This may have a material adverse effect on our business, financial condition, results of operations and reputation. For further details, please refer to the section titled "**History and Certain Corporate Matters**" beginning on page 109 of this Draft Red Herring Prospectus.

28. ***Consolidation of Neptune Realtors Private Limited ('NRPL') as our subsidiary is subject to various regulatory and other risks.***

A part of Net Proceeds will also be deployed to acquire 10.01% of the class A equity shares of NRPL. Since we would be acquiring the class A equity shares of NRPL from IndiaREIT Offshore Fund, the same would be subject to following regulatory risks:

- (a) Completion of 3 year lock-in period as mandated in the Press Note 2 of 2005 Series issued by Government of India;
- (b) The pricing of the class A equity shares of NRPL should adhere to the pricing guidelines issued by Reserve Bank of India vide A.P. (DIR) Series Circular No. 16 dated October 04, 2004;

Further consolidation of NRPL as our subsidiary is also subject to the following risks:

- (a) Pursuant to the differential shareholding structure of NRPL, though we would be acquiring 50.01% of the voting rights in the NRPL, we may not be able to enjoy more than 50% shareholding in NRPL; and
- (b) NRPL has incurred losses in the past.

For further details in this regard see section titled “**History and Certain Corporate Matters**” and “**Objects of the Issue**” beginning on page 109 and 47 respectively.

29. ***We are subject to restrictive covenants under the shareholders’ agreement entered into with IndiaREIT that could limit our flexibility in managing our business.***

The Company and the Promoters have entered into a share subscription and shareholders agreement dated April 15, 2008 and MoU dated June 23, 2009 with IndiaREIT Enterprise Holdings Limited, Mauritius and IndiaREIT Fund-Scheme III represented through its trustee IL&FS Trust Company Limited which conferred certain affirmative rights on the investor. The aforesaid agreement was subsequently amended through an amendment agreement dated December 18, 2009. Pursuant to the amendment agreement such affirmative rights were terminated except for the right to nominate a person as a director on the Board of Directors.

The right to appoint a nominee on the Board of Directors might affect our ability to manage and operate our business in a flexible manner and also indirectly limit the rights of equity shareholders to select a director as provided under the Companies Act. Further, such director may influence the decisions taken by the Board, which might affect the business and operations of the Company.

30. ***Our insurance policies provide limited coverage, potentially leaving us uninsured against some business risks.***

The occurrence of an event that is uninsurable (for instance, it is difficult to obtain title insurance in India) or not fully insured could have a material adverse effect on our business, financial condition, results of operations or prospects. We maintain insurance on property and equipment in amounts believed to be consistent with industry practices but we may not be fully insured against some business risks.

Accordingly, we obtain comprehensive insurance coverage for each project during its construction phase. Our insurance coverage for each project includes insurance against fire and related risks and earthquakes. We also maintain workmen's compensation policies. However, we do not maintain directors' and officers' liability insurance, nor any insurance for loss of profit, if any, suffered by us or any of our customers. Our insurance coverage also does not include insurance against third party risks. Further, we do not maintain "key man" insurance for our Promoters, our senior managers or other key personnel.

The proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations, environmental issues as well as other factors. We would also remain liable for any debt or other financial obligation related to that property. Notwithstanding the insurance coverage that we carry, the occurrence of an incident that causes losses in material excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future operating results.

31. ***We provide warranties for construction defects, which may lead to material uninsured loss.***

We provide warranties for a period of 12 months for construction defects. We may find that we are faced with uninsured liabilities to make repairs and pay compensation where there are construction defects in properties that we have sold. If we are unable to recover these losses from the relevant construction sub-contractor we may be faced with a material uninsured loss.

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

We have entered into certain transactions with related parties, including our Group Companies, Promoters, associates, Directors and their relatives, key management personnel and enterprises in which key management personnel/ Directors have significant influence. For detailed information on our related party transactions, please see the section titled **"Related Party Transactions"** appearing on page 174 of this Draft Red Herring Prospectus. While we believe that all our related party transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Also, it is likely that compliances required under the Companies Act to enter into such related party transactions may not have been complied with.

Furthermore, it is possible that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations.

33. ***Our contingent liabilities which have not been provided for in our financial statements could adversely affect our financial condition.***

As of June 30, 2009, our aggregate contingent liabilities consisted of corporate guarantees of Rs. 1,229.62 million on behalf of Subsidiaries, Rs. 63.79 million on behalf of Group Companies and Rs. 387.20 million on behalf of others. If we are unable to pay or otherwise default on our obligations, our lenders may be required, pursuant to the relevant guarantee, to cover the full or remaining balance of our obligations. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further details, see section titled **"Management's Discussion and Analysis of Condition and Results of Operations"** on page 176 of this Draft Red Herring Prospectus.

As of June 30, 2009, we had contingent liabilities not provided for, as disclosed in the notes to our restated consolidated financial statements.

The details of our contingent liabilities for the three month period ended June 30, 2009 and for the Fiscals 2009, 2008, 2007, 2006 and 2005 are:

(Rs in Millions)

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Corporate Guarantee given by Company:						-
To Subsidiaries	1,229.62	1,159.67	894.99	519.99	549.99	
To Group Companies	63.79	70.36	114.68			
To Others	387.20	315.69				
Total	1,680.61	1,545.72	1,009.67	519.99	549.99	-

In the event that any of the above contingent liabilities fructify, the same could adversely affect the financial condition of our Subsidiaries and Group Companies.

34. ***We have given loans and advances, which are not secured, to our Promoters/Subsidiaries/associate/ Group Companies***

We have given loans and advances, which are not secured, to our Promoters/ Subsidiaries/associate/ Group Companies amounting to Rs. 2198.99 Millions as on November 30, 2009. These are repayable on demand. We do not have any definitive agreements in connection with the aforesaid loan and advances that govern the terms and

conditions of such loans. If the aforementioned Promoters/Subsidiaries/associate/ Group Companies are unable to repay these loans then this could adversely affect our business, prospects, financial condition and results of operations.

35. ***We and/ or our Promoters have provided a number of corporate or personal guarantees.***

Our Company and/ or Promoters have provided corporate or personal guarantee:

- to Axis Bank Limited in connection with the loan taken by Neptune Constructions, a partnership firm forming part of the Promoter Group for Rs. 200 Million;
- to consortium of bank consisting of Bank of India, Oriental Bank of Commerce and Punjab National Bank for loan availed by Dosti Corporation, which is the joint owner of land allocated to our project called "Element", located at Thane for Rs. 900 Million;
- to HUDCO for loan availed by Neptune Ventures and Developers Private Limited, a subsidiary of our Company for Rs. 1380 million; and
- to Indian Bank for loan availed by Neptune Ventures and Developers Private Limited, a subsidiary of our Company for Rs. 750 million.

Further, 3,000,000 Equity Shares forming part of the Promoters' holding are pledged with HUDCO for securing the term loan facility of Rs. 1,380 million to Neptune Ventures and Developers Private Limited, a subsidiary of our Company.

If Neptune Constructions, Dosti Corporation and/ or Neptune Ventures and Developers Private Limited are unable to repay its debt for any reason whatsoever, our Company and/or our Promoters may be required to repay outstanding amounts under such facilities, which could result in an adverse effect on the financial condition of our Company.

36. ***Our registered office from which we operate is not owned by us.***

Our registered office is not owned by us. It has been leased to us under leases for periods of 33 months. One of such leases for 2712 sq. ft. is due to expire on December 31, 2009. The details of various units leased to us are as under:

Name	Area (in sq. ft.)	Commence date	Expiry Date
Pranay Leasing & Finance Limited	2,712	April 1, 2007	December 31, 2009
Shri Jatinder Singh Nagi & Shri Harvinder Singh Nagi	2,712	July 1, 2007	March 31, 2010
Pranay Leasing & Finance Limited	782	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	867	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	1,866	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	1,699	October 1, 2007	June 30, 2010
Pranay Leasing & Finance Limited	783	January 1, 2008	September 30, 2010
Pranay Leasing & Finance Limited	1,030	January 1, 2008	September 30, 2010
Smt Rajnaben Kantilal Savla	1,100	January 1, 2008	September 30, 2011
Total	13,551		

If the owners of these premises do not renew the agreements under which we occupy the premises or only offer to renew such agreements on terms and conditions that are unacceptable to us, we may suffer a disruption in our business operations, which could materially adversely affect our business, financial condition and results of operations.

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

We utilize both customised and standard IT systems to maintain data integrity and reliability. Further, we are in the process of implementing SAP, an IT management system, to consolidate operational and other data across all of our Subsidiaries. Currently, SAP is implemented in our Company and in one of our Subsidiaries. There can be no assurance that we will be able to successfully implement SAP or other IT systems effectively in a timely manner or at all. Any disruption to or delay in implementing our integrated IT systems could disrupt our ability to track, record and analyse our work in progress, process financial information, engage in normal business activities or manage our

creditors and debtors, and could cause certain data loss. This could adversely affect our business, prospects, financial condition and results of operations.

38. ***Our inability to manage growth could disrupt our business and reduce our profitability.***

We have embarked on a growth strategy, which involves an expansion of our current business lines, in terms of size and geographical scope. The growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training, and retention of high quality human resources, preserving our values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. If we are unable to manage our growth effectively, this could adversely affect our business, prospects, financial condition and results of operations.

39. ***The funding requirements of our Company as described in "Objects of the Issue" are based on management estimates and have not been appraised or evaluated by any bank or financial institution. Further, we have not decided the form of investment for infusion of Net Proceeds in our Subsidiaries.***

The funding requirements of our Company as described in the section titled "Objects of the Issue" are based on management estimates and have not been appraised by any bank or financial institution. Our management will have discretion in the application of the Objects of the Issue and investors will not have the opportunity, as part of their investment decision, to assess whether we are using the proceeds in a manner that they believe enhances our market value. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently, our programs for deployment of the Objects of the Issue may be rescheduled.

Further, one of the Objects of the Issue is completion of certain construction and development activities which are to be undertaken by our Subsidiaries. We have not yet finalized the form of investment for our Subsidiaries and may choose to invest by way of equity, debt or any convertible instruments. Although our mode of investment in our Subsidiaries would be based on various factors including, funding requirements of our Subsidiaries and rate of return, we cannot assure you that each investment would be the best form of investment.

40. ***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.***

Our income from sales consists of income from the sales of (i) residential properties, and (ii) retail, commercial and IT properties. Set forth below is a breakdown of our income from sales derived from our audited, restated, consolidated financial statements for the periods indicated.

Sales	For the three month period ended		For the year ended March 31,					
	Jun, 30, 2009		2009		2008		2007	
	Rs. Millions	%	Rs. Millions	%	Rs. Millions	%	Rs. Millions	%
Residential	5.67	100.00%	818.80	47.59%	1.48	100.00%	4.06	100.00%
Commercial	-	-	901.81	52.41%	-	-	-	-
Total	5.67	100.00%	1720.61	100.00%	1.48	100.00%	4.06	100.00%

Sales revenues are dependent on various factors such as the size of our developments, stage of completion and the extent to which they qualify under our revenue recognition policies and general market conditions. 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.

41. ***We recognize revenue based on the "Percentage Completion Method" of accounting on the basis of our management's estimates of the project cost.***

We recognize the revenue generated from our projects on the "Percentage Completion Method" of accounting in accordance with Indian GAAP. Revenue from the sale of incomplete properties is recognized on the basis of the percentage of completion method by reference to the physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project. Revenue will only be recognised under the percentage of completion method once the work in relation to a particular contract or group of contracts has progressed to the extent of 35% of the total work involved. 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. The effect of changes to projected costs is recognized in the financial statements of the period in which such changes are determined. Therefore, our revenue recognition is based on the number of projects that qualify for such revenue recognition that are under execution during a period. This may lead to significant fluctuations in our revenues in accounting periods. Amounts received from customers not recognized under the method described above, are accounted for as advances from customers as part of the current liabilities.

In the event of any change in law or Indian GAAP, which results in a change to the method of revenue recognition, the financial results of our operations may be adversely affected.

42. ***We may be subject to penalties imposed by regulatory authorities such as RoC/RBI resulting from a failure to comply with applicable laws.***

RoC

The RoC has administrative powers to deal with failure to comply with statutory provisions, including the provisions of the Companies Act and other applicable laws. These powers include referring matters to the Company Law Board constituted under the Companies Act, issuing show cause notices, and reporting to the Central Government to investigate into the affairs of the non-compliant company. If we fail to comply with these laws, regulatory sanctions could have a material adverse effect on our financial condition, reputation and results of operations.

In the past there have been certain delays in the filings/ response(s) return(s)/form(s) with the RoC, which the Company is under a statutory obligation to report which may result in penalties. For further details, see the section titled "**Other Regulatory and Statutory Disclosures**" beginning on page 219 of this Draft Red Herring Prospectus.

Absence of whole-time company secretary

Further, the position of the whole time company secretary was vacant from October 21, 2008 until March 4, 2009. The non-compliance for not appointing a whole time company secretary is in violation of the provisions of section 383A of the Companies Act. Failure to comply with this provision may be punishable with fine which may extend to Rs. 500 for every day during which the default continues.

RBI

With respect to the allotment of equity shares to non residents by the Company and its associates, there have been certain delays in filing requisite forms / reports with RBI through its authorised dealers, which may result in penalties being levied by RBI, which may adversely affect our business and reputation. For further details, see the section titled "**Other Regulatory and Statutory Disclosures**" beginning on page 219 of this Draft Red Herring Prospectus.

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

We are executing one of our projects, Element Thane through a partnership firm called M/s Neptune Developers. The partners of Neptune Developers are: (1) Nayan Bheda; (2) Sachin Deshmukh; (3) Mahesh Shetty; and (4) our Company. The profit and loss sharing ratio of the partners is as follows:

Name of partners	Profit & Loss Sharing Ratio
Mr. Nayan Bheda	3%
Mr. Sachin Deshmukh	3%
Mr. Mahesh Shetty	3%
Neptune Developers Limited	91%
Total	100%

Our liability with respect to such partnership firms, according to the terms of the respective partnership deeds and laws governing partnerships in India, is unlimited. If we incur liability with respect to such partnerships, it may have a significant impact on our business, financial condition and results of operations. For further details in relation to these partnerships firms, see the section titled "**History and certain Corporate Matters**" beginning on page 109 of this Draft Red Herring Prospectus.

44. ***There may be less information available about our Company in Indian securities markets than in securities markets in other more developed countries.***

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets.

SEBI has issued regulations 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 economies. As a result, on an ongoing basis shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the BSE and the NSE but which are also subject to the reporting requirements of other more developed countries.

45. ***The Company has, during the preceding one year from the date of filing of the Draft Red Herring Prospectus, issued Equity Shares at variable prices, which may be lower than the Issue Price.***

Set forth below are details of equity shares issued by the Company within the last 12 months:

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face value (In Rs.)	Issue price Per Share (In Rs.)	Consideration in cash/ other than cash
September 26, 2009	Aditya Anam	250	Preferential Allotment	10	1,000	Cash
September 26, 2009	Balbir Dhanwani	10,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Balbir Dhanwani NRO	1,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Chamanlal Ratilal Sanghavi	500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Chandan Sidhwani	1,500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Chunilal Devchand Sanghavi	500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Davesh Vora	500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Deepa Mani	500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Geeta A. Anam	250	Preferential Allotment	10	1,000	Cash
September 26, 2009	Heena Yogesh Chheda	1,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Honey N. Shah	300	Preferential Allotment	10	1,000	Cash
September 26, 2009	Jitesh Chamnal Sanghvi	500	Preferential Allotment	10	1,000	Cash

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face value (In Rs.)	Issue price Per Share (In Rs.)	Consideration in cash/ other than cash
September 26, 2009	Kaushal A. Gandhi	1,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Kunverji Nanji Kenia	2,500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Manjari S. Kapadia	4,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Mansi A. Gandhi	500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Nimesh P. Gala	2,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Nimish P. Kenia	2,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Pradeep N. Shah	2,500	Preferential Allotment	10	1,000	Cash
September 26, 2009	Radha Dhanwani	13,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Rupali Prashant Patel	1,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Rupa Pradeep Shah	10,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Shilpa Hemant Kenia	2,000	Preferential Allotment	10	1,000	Cash
September 26, 2009	Sushil T. Kapadia	6,600	Preferential Allotment	10	1,000	Cash
September 26, 2009	Vipul K. Shah	500	Preferential Allotment	10	1,000	Cash
December 1, 2009	All shareholders as appearing in the register of members of the Company as on November 30, 2009	88,816,638	Bonus Issue	10	-	Bonus
December 3, 2009	Alpex International Limited#	8,080,849	Preferential Allotment	10	163	Cash
December 18, 2009	IndiaREIT Enterprise Holdings Ltd	1,111,093	Conversion of 0.0001% compulsorily convertible preference shares of Rs. 10 each into Equity Shares	10	24	Cash
December 18, 2009	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III	277,773		10	24	Cash
December 19, 2009	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III	2,351,567	Preferential Allotment	10	85.05	Cash

46. *Some of our Subsidiaries, associates and Group Companies have made losses during the last three financial years. Any losses made by these entities will also impact us.*

Some of our Subsidiaries, associates and group companies have incurred losses within the last three fiscal years, details of which are set forth below:

(Rs. in millions)

Name of Subsidiary/ associate/ group company	Profit/Loss after tax		
	FY 2009	FY 2008	FY 2007
Subsidiaries			
Deshmukh Projects Developers Private Limited	(0.03)	NA	NA
Juhi Realtors Private Limited	0.00	(0.04)	NA
Kavya Realtors Private Limited	(0.03)	NA	NA
Neptune Homes Private Limited	(0.04)	NA	NA
Neptune Housing and Realty Private Limited	(0.04)	NA	NA
Neptune Realty and Property Management Private Limited	(0.04)	NA	NA
Neptune Ventures and Developers and Private Limited	(30.42)	NA	NA
Neptune Realtors & Developers Pvt Ltd	(0.03)	NA	NA
Neptune Residency Pvt Ltd	(0.03)	NA	NA
Associates			
Neptune Enclave Private Limited	(0.03)	(0.07)	NA
Neptune Realtors Private Limited	(0.18)	(1.25)	0.00
Partnerships			
Neptune Developers	(0.084)	2.55	0.00
Group Companies			
Neptune Developers and Constructions Private Limited	(0.14)	(0.07)	0.00
Neptune Oil and Energy Ventures Private Limited	(5.14)	NA	NA
MT EDUCARE Private Limited	27.28	(25.44)	(4.97)

We have undertaken a number of our projects through investments in our Subsidiaries and associates. Should those projects not be successful, losses will not just impact on the relevant Subsidiary and associate but may also negatively affect the assets of the Company, which could adversely affect our business, prospects, financial condition and results of operations.

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

Our current business strategy is to focus our operations primarily in the MMR real estate market. Further, our developments have primarily focused on residential projects. We cannot assure you that we will continue to follow these business strategies. In the future, we may decide to own and lease properties, or substantially develop retail properties in preference to residential properties. We may also focus on expansion into new geographic markets in preference to MMR. We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein.

48. ***Some of our agreements may be inadequately stamped or may not have been registered, as a result of which our operations may be impaired.***

Some of our agreements relating to land may not be adequately stamped or registered. In the event of any such irregularity, we may not be able to enforce our rights and/or title over such land, which could materially and adversely affect our business, results of operation and financial condition.

49. ***We are yet to procure TDRs for certain projects.***

The Company is yet to procure the TDRs for our Evolution project located at Kurla, Mumbai, and for our Flying Kite, Euclid Tower and Magnet Mall projects located at Bhandup, Mumbai, as well as for Neptune Swarajya located at Ambivali, MMR, respectively. For further details on these projects, see section titled "**Business**" beginning on page 74 of the Draft Red Herring Prospectus. In the event the Company is unable to procure the said TDRs for the aforesaid projects at Kurla, Bhandup and Ambivali, it may not be able to maximize the development potential that these projects would have if the TDRs would have been procured. This may affect our business and profitability. Further, the cost of purchase of TDRs for these projects may increase and it may thereby not be feasible for the Company to acquire the TDRs which may adversely affect our revenue, financial conditions and results of operation.

50. ***The deployment of the Net Proceeds is at the discretion of the Issuer and is not subject to any monitoring by any independent agency.***

Since our Issue size is less than Rs. 5,000 million, we are not required to appoint a monitoring agency under the SEBI ICDR Regulations. Hence, deployment of Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to conduct our affairs in the manner similar to that of the monitoring agency.

Risks Relating to Real Estate Investment and Property Development

1. ***We are heavily dependent on the performance of, and prevailing conditions affecting, the real estate market, especially in MMR.***

All of our completed operations are in MMR, and our strategy is to maintain a strong focus of our real estate and land development activities in MMR. Currently 9 out of our portfolio of 16 Ongoing, Forthcoming and Proposed Projects are situated in MMR. Of these 9 projects, 7 are Ongoing Projects and 2 are Forthcoming Projects. As of November 30, 2009, approximately 62.08% of Completed, Ongoing, Forthcoming and Proposed Projects in terms of total Developable Area are located in MMR. Accordingly, we are particularly prone to any fluctuations in the real estate market particularly in MMR. We conceptualize and commence design and planning for our projects at early stages. This limits our ability to classify any of our projects in a different segment from that in which it was originally planned. 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 MMR.

The real estate market in MMR may be affected by various factors outside our control, including local and economic conditions, changes in the supply and demand for properties comparable to those we develop, and changes in the Governmental regulations relating to redevelopment in MMR. Demand for our residential and commercial units may decrease if potential purchasers do not continue to view MMR as an attractive place to live and invest in. These and other factors may contribute to fluctuations in real estate prices and the availability of land in MMR which may adversely affect our business, financial condition and results of operations.

2. ***We may not be successful in identifying suitable lands or development rights, which may hinder our future growth.***

Our ability to identify suitable lands or development rights is fundamental to our business and involves certain risks including identifying appropriate lands or development rights, meeting the demands of the customers for residential projects and understanding and responding to their expectations and demands. Further, we need to take into account land use regulations, the availability and commitment from the respective State governments to provide off-site infrastructure, the land's proximity to resources such as water and electricity, the target sectors, expectations of our customers in relation to the infrastructure and amenities to be provided as well as their perception of the State. While we have successfully identified suitable lands or development rights in the past, we may not be as successful in identifying suitable lands or development rights that meet market demand in the future. Any failure to identify suitable lands or development right to build or develop saleable properties or anticipate and respond to customer demand in a timely manner could adversely affect our business, prospects, financial condition and results of operations.

3. ***We may not be successful in acquiring suitable and contiguous parcels of land for development in a timely manner.***

Our ability to acquire identified parcels of land for development forms an important element of our business. Typically, the preparation for acquisition involves certain activities for which it is difficult to estimate a time period, which may result in our inability to acquire such lands, during such time or during the time of negotiation, and such

land may be acquired by third parties or our competitors. Further, while entering into MoUs with land aggregators (for example our MoU to acquire land for the project in Chennai), we normally insist on acquiring specific parcels of land. However, we cannot assure you that we or our land aggregators will be able to acquire specified parcels of land. Any failure to acquire identified parcels of land for development in a timely manner may reduce the number of development projects that can be undertaken by us.

We acquire parcels of land at various locations, over a period of time, for future development. These parcels of land are subsequently consolidated to form a contiguous landmass, upon which we undertake development. We may not be able to acquire such parcels of land, at all or on terms that are acceptable to us, which may affect our ability to consolidate parcels of land into a contiguous mass. Failure to acquire such parcels of land may cause delay or force us to abandon or modify the development of the land at a location, which in turn may result in a failure to realize our investment for acquiring such parcels of land. Our inability to acquire identified parcels of land for development in a timely manner and our inability to acquire contiguous parcels of land may adversely affect our business prospects, financial condition and results of operations. We are in the process of developing a special township in Pune. For this purpose, we have so far acquired rights over the land measuring 84.36 acres. However, for the purposes of developing a special township, we need to acquire rights over 100 acres of contiguous land. Our inability to acquire rights over the outstanding parcels of land in a timely manner or at all may affect our ability to execute the project. In such a situation, we may need to alter the proposed usage plan for the land, resulting in the abandonment of our plan to develop a special township. Such a change in the proposed usage of the land may affect our business prospects, financial conditions and results of operation.

Further, ownership of Hindu undivided family (HUF) property is complex. In the Mitakshara system of HUF property, ownership passes by birth. If a deceased's ownership is in HUF property, complex issues of transfer of ownership over the land will arise. Due to the complex ownership structures that exist over Indian real estate, it becomes critical when acquiring the land that all the relevant parties consent to transfer the rights over the land in our favour. In our experience relevant parties may refuse to transfer such rights or demand higher monetary compensation to transfer such rights over the land. Such situations pose challenges for us in obtaining title to contiguous parcels of land.

4. *Our Ongoing, Forthcoming and Proposed Projects are subject to construction, financing, operational and other risks.*

The development of our Ongoing, Forthcoming and Proposed projects involves various risks, including, among others, regulatory risk, construction risk, financing risk, operational risk and the risk that these projects may ultimately prove to be unprofitable. These projects may pose significant challenges to our management, administrative, financial and operational resources. Our ability to develop these projects is subject to a number of risks and contingencies, some of which are summarized below:

- we may be subject to changes in local land use master plans that alter the approved land use of the land that we have acquired. This may render the land useless for the proposed property development and we may have to postpone projects until alternative sites can be found;
- we may also find that lands that we have purchased, on the basis that infrastructure or services will be developed around the land, may become unsuitable as other local projects change or are abandoned;
- the agreements to develop land or leases may expire, and we may not be able to renew the agreements or leases that have expired;
- we may not receive the expected benefits of the development rights that we have been granted;
- to the extent we intend to develop projects on restricted land, i.e., land where commercial and residential developments are not permitted without prior regulatory approval, we may not be successful in getting such regulatory approvals;
- in some of our projects, we may acquire land along with certain structures standing thereon, which are occupied by occupants. We may not be able to obtain consent of the required number of occupants to enable us to develop the project.

Additionally, there can be no assurance that we will be able to obtain necessary land use, construction and other approvals for our projects in a timely manner or at all. If we are unable to obtain these approvals, we may not be able to commence construction of our projects. Further, we may be required to renew certain of our approvals. While we believe we will obtain approvals or renewals as may be required, there can be no assurance that the relevant authorities will issue any such approvals or renewals in the anticipated time frame or at all. Even if we obtain approvals for our projects and commence construction, our projects will be subject to a number of construction, financing and operational risks, some of which are summarized below.

- the contractors hired by us may not be able to complete the construction of the project on time, within budget or to the specifications and standards they have agreed to the contracts with them;
- delays in completion and operation could increase the financing costs associated with the construction and cause the forecasted budget to be exceeded;
- we may not be able to obtain adequate working capital or other financing to complete construction of and to commence operations of the project; and
- we may not be able to recover the amounts we have invested in the projects if the assumptions contained in the feasibility studies for these projects do not materialize.

There can be no assurance that we will be able to complete any of our Ongoing, Forthcoming and Proposed Projects as planned, in a timely manner or at all. This risk is even more pronounced with respect to our Forthcoming and Proposed Projects which are at initial stages of development. Any failure in the development, financing or operation of any of our projects, though not quantifiable monetarily, is likely to materially and adversely affect our business, prospects, financial condition, cash flows, profitability and reputation.

5. *We may not be able to sell our completed properties and/or our interests in completed projects due to the illiquid nature of real estate investments.*

Real estate investments are relatively illiquid. We will be subject to the general risks incidental to the ownership of real property, including changes in the supply of or demand for competing properties in an area, a decline in the market value of the properties, a decline in rental rates, changes in interest rates and the availability of mortgage finance, changes in property tax rates and landlord and tenant or planning laws and environmental factors. The marketability and value of any projects invested in by us will, therefore, depend on many factors beyond our control and there is no assurance that there will be either a ready market for any of our properties (or properties jointly developed by us) or that such properties or any of our investments will be sold at a profit or in a timely manner, if at all. If we are unable to sell our interest in a project when we desire, we may incur additional costs or be unable to invest in other developments.

6. *Changes in interest rates have a significant impact on the real estate financing and the demand for residential real estate projects.*

Rising interest rates affect a prospective customer's ability to obtain affordable financing for the purchase of our properties, particularly the purchase of completed residential developments by individuals. The interest rate at which our residential real estate customers may borrow funds for the purchase of our residential properties, and the availability of credit to such customers, affects the affordability of, and hence the market demand for, our residential real estate developments. Any adverse changes in the interest rates resulting in significant decline in the demand for residential or other real estate projects could adversely affect our business, prospects, financial condition and results of operations.

7. *We are subject to increases in operating and other expenses.*

Fluctuating costs are an inherent risk in the real estate business. Our operations are subject to increases in expenses due to a number of factors including, but not limited to, the following:

- increase in construction, repair and maintenance costs;
- change in property tax assessments and other statutory charges;
- change in laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

- increase in sub-contracted service costs;
- increase in labor costs;
- increase in raw material costs;
- increase in marketing and sales costs; and
- increase in the rate of inflation.

Our total expenditure on consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 257.40 million, Rs. 1,975.34 million, Rs. 2,651.06 million and Rs. 965.57 million respectively.

Any increase in operating expenses may affect our profit margin where the selling prices of our properties are fixed. Typically, our operating expenses include cost of construction, which is inclusive of cost of raw materials. Even if we are able to increase the selling prices of our development properties, demand for our properties may in turn be adversely affected. If our operating and other expenses increase significantly, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted and our business and results of operations could be materially and adversely affected. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials to us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, our construction schedules could be disrupted, and we may not be able to complete our projects as per schedule. There can be no assurance that any change in the cost of developing our projects will not have a material impact on our performance.

8. *Changes in governmental policies/regulations/laws could adversely affect our business and profitability.*

The Union Ministry of Housing and Urban Poverty Alleviation ("**Ministry**") has published the draft Model Real Estate (Regulation of Development) Act ("**Draft Model Act**"). The Draft Model Act proposes to lay down regulation for adoption by all states within India. The Draft Model Act proposes to establish a regulatory authority, namely Real Estate Regulatory Authority ("**RERA**"), to control and promote construction, sale, transfer and management of colonies, residential buildings, apartments and other similar properties. The Draft Model Act as it stands today, imposes various obligations on the developer. The Draft Model Act also proposes to form RERA, which then will act as a regulator in the real estate business. If the Draft Model Act is enacted in its current form we may be subject to the obligations imposed thereunder. Any obligation arising under the Draft Model Act or any adverse instruction from RERA may adversely affect our business, operations and profitability.

Further, other adverse changes, if any, in the governmental policies relating to the real estate sector such as the discontinuation of the Income Tax concessions could adversely affect our business prospects. Additionally, upon the coming into effect of the proposed direct tax code, 2009, or the passing of the Companies Bill, 2009, by the Indian legislature, the Indian regulatory environment may undergo drastic overhaul, which may adversely affect us, our business, operations and profitability.

9. *Land title in India is uncertain and there is no assurance of clean title to our real estate assets.*

In India, property records do not constitute conclusive evidence and do not provide a guarantee of the title to the land. The method of documentation of land records has not been fully computerized and are generally maintained and updated manually. The land records are often in a poor condition, hand-written, in local languages and may not be legible, which make it difficult to ascertain the contents of the records and sometimes materially impedes the title investigation process. This could also result in investigations being inaccurate. As a result, the title of the real property that we have invested in, and/or might invest in, in the future may not be clear.

More often than not, the title to land is fragmented and it is possible that land relating to one property may have come from multiple owners. Some land may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances of which we may be unaware.

10. *There are uncertainties associated with title opinions or search reports with respect to the land and title insurance is not commercially available in India.*

There may be a number of uncertainties relating to land title in India including, among other things, difficulties in obtaining title guarantees and fragmented or defective title. While we seek to retain lawyers to conduct due diligence and assessment exercises and/or provide us title search reports, prior to acquiring land, entering into development agreements with land owners, and undertaking projects, it is impracticable for lawyers to give legal opinions satisfying various complicated legal requirements which arise out of court decisions because of the uncertainties discussed above. Sometimes, the legal counsels who have certified the title of some of our lands may not have advised us in respect of the acquisition of such land or the development rights in such land. Further, for many of our lands purchased outside MMR, while investigating the title, we may not have invited claims by issuing public notices, undertaken searches or raised requisition in relation to title of the land. Also, since the land that we own in Ambivali and Pune are large and fragmented, it is difficult to rely on legal opinions and search reports written or otherwise with respect to all parcels of land. The uncertainty in legal opinions and search reports in respect of our land reserves may result in our failure to obtain good title to land, which may materially prejudice our growth strategy and could have an adverse impact on our property valuations, business, results of operations and prospects.

Further, title insurance, to guarantee title or development rights in respect of land, is not commercially available in India. In India, title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. Some of these lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subject to encumbrances of which we are not aware. In these projects, 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 joint-development or collaboration agreements have clear title to such lands.

11. *Property litigation is common in India and time consuming.*

Property litigation particularly litigation with respect to land ownership is common in India (including public interest litigation) and is generally time consuming and involves considerable costs. If any property in which we have invested is subject to any litigation or is subjected to any litigation in future, it could delay a development project and could adversely affect our business, prospects, financial condition and results of operations.

12. *The real estate sector in India is subject to heavy regulation and legislation.*

The real estate market in India is subject to numerous legal requirements mandated by central and state laws and regulations, including policies and procedures established by local authorities. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licenses from the relevant administrative authorities at various stages of project development. Any delay in applying or obtaining such approvals or licenses will have an impact on timing of project development and our consequential returns.

13. *The real estate sector is subject to local and municipal laws which vary from region to region and ensuring compliance with such laws could be time consuming and costly.*

The real estate sector is subject to local and municipal laws and taxes, in addition to central and state level laws and taxes, which vary from region to region. Further, such laws and taxes are subject to changes or revisions from time to time. Municipal taxes and statutory expenses for compliance with such laws could lead to a reduction in the return on our investments. The land held or acquired by us may be adversely affected by such revisions thereby reducing the value of such investments and delay in project development.

14. *The Government may exercise rights of compulsory purchase or eminent domain in respect of our lands and compensation in lieu of such acquisition may be inadequate.*

The Land Acquisition Act, 1894 allows the central and State governments to exercise rights of compulsory purchase, or eminent domain, which, if used in respect of our land, could require us to relinquish land after making payment of compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such actions may increase as the central and State governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our major current or proposed developments could adversely affect our business, prospects, financial condition and results of operations.

15. *Foreign direct investment in the real estate sector in India under the automatic route is governed by a policy statement which may be ambiguous in its terms.*

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 of 2005 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 of 2005, 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\$ 5.00 million. However, there is some ambiguity on what is meant by "minimum capitalization". In addition, although the FDI Regulations and Press Note 2 of 2005 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 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 of 2005, which subjects such investment to certain restrictions.

Our Company's inability to raise additional capital as a result of these and other restrictions could adversely affect the business and prospects of our Company. For more information on these restrictions, see the section titled "**Regulations and Policies**" beginning on page 98 of this Draft Red Herring Prospectus.

16. *We may be dependent on third parties to provide services and support to our developments.*

It is possible that some projects will be located in areas that will require significant infrastructure support, including roads, electrical power, telecommunications, water and waste treatment. We may be dependent on third parties, including local authorities, to provide such services. Any delay or failure by any third party to provide such additional services or may affect our ability to execute or complete existing and/or new development projects.

17. *Our operations and success of are subject to fluctuations in the market value of the real estate market and economic conditions generally.*

The real estate business is significantly affected by changes in government policies, economic conditions, such as economic slowdown or recession, rising interest rates, demographic trends, employment levels, availability of financing or declining demand for real estate, relatively illiquid market for both the land and developed properties or the public perception that any of these events may occur. These factors can negatively affect the demand for and pricing of the developed and undeveloped land and constructed inventories at the expected rental or sale price and, as a result, could adversely affect our business, prospects, financial condition and results of operations.

18. *Increased raw material costs may adversely affect our results of operations.*

Our business is affected by the availability, cost and quality of the raw materials we need to construct and develop our properties. Our principal raw materials include steel and cement and for the three months ended June 30, 2009 the cost of raw materials amounted to ten per cent of our total cost of construction on a consolidated basis. The prices and supply of these and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. If, for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such materials us in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our projects could be impaired, construction schedules could be disrupted and our business could suffer.

19. *We may face risks associated with the uncompleted property developments such as the undertaking of development activities within the projects.*

Property developments typically require substantial capital outlay during the construction period and may take an extended period of time to complete and to occupy before a potential return can be generated. The time and costs

required to complete a property development may be subject to substantial extensions and increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, changes in government or regulatory policies, delays in obtaining the requisite approvals, permits, licenses or certifications from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a property development project and result in costs substantially exceeding those originally budgeted for which we may not be adequately compensated by insurance proceeds (if any) and/or contractual indemnities. This could adversely affect our business, prospects, financial condition and results of operations.

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

There are certain unanticipated or unforeseen risks that may arise in the course of property development due to adverse weather and geological conditions such as storm, hurricane, lightning, flood, landslide and earthquake. Additionally, our operations are subject to hazards inherent in providing architectural and construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

21. *The success of our development projects depends on the reliable and stable supply of water and power. In the event of water or power shortages, our construction teams may be required to reduce their water or power consumption, which would reduce our ability to deliver projects in a timely fashion.*

The success of our development projects depends on the reliable and stable supply of water and power. Our construction activities require a stable water and power supply to work efficiently. In the event of water or power shortages, our construction teams may be required to reduce their water or power consumption or we may be required to arrange alternate sources of water for the power projects. There can be no assurance that we will be able to make such alternate arrangements on acceptable terms or at all. Failures in our water and power supply would reduce our ability to deliver projects in a timely fashion and may cause cost overruns.

22. *We may be affected by inadequate health and safety precautions in India.*

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 our relationship with our 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.

23. *Compliance with, and changes in, environmental, health and safety and labour laws and regulations may materially and adversely affect the development of our projects and our financial condition and results of operations.*

We are subject to environmental and health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects during construction.

We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval. If environmental problems are discovered during or after the development of a project or if government authorities adopt more stringent regulations, we will have to be at all times in full compliance with applicable regulatory requirements. We may need to incur substantial expense relating to clean up and other remedial measures and the value of a property could be adversely affected.

Further, we are subject to various labour laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits.

We cannot assure you that our costs of complying with current and future environmental, health and safety, and labour laws and regulations or any potential liabilities arising from any failure to comply therewith will not adversely affect our business, prospects, financial condition and results of operations.

24. *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 the relevant project. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to cleanup and other remedial measures and the value of the relevant project could be adversely affected.

25. *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 could adversely affect our business, prospects, financial condition and results of operations.

26. *We may suffer if we are unable to provide high quality property management services.*

We provide property management services to our completed residential, commercial and retail developments typically for a period of two years from the completion of construction. These services may include, among others, book keeping, security management, building maintenance and the operation of leisure facilities such as swimming pools and fitness centres. If the purchasers of the projects that we have developed are dissatisfied with these services, our reputation could be damaged which could adversely affect our business, prospects, financial condition and results of operations.

Risks Relating to India and the Indian Economy

1. *Our growth is dependent on the Indian economy.*

Our performance and the growth of our business are dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including our ability to implement our strategy. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. While recent governments have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Any downturn in the macroeconomic environment in India could adversely affect our business, prospects, financial condition and results of operations.

2. *The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.*

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in our port, rail and road networks, electricity grid, communication systems, power and water supply or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could adversely affect our business, prospects, financial condition and results of operations.

3. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the Indian real estate sector contained in this Draft Red Herring Prospectus.*

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy as well as the Indian real estate sector have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers (including the BRLM and its advisers) and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in "**Industry Overview**" on page 66. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

4. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The current global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, has led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

5. *Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect our business and our profitability.*

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries, including India, Pakistan and China. India recently witnessed a major terrorist attack in MMR on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, our operations might be significantly affected.

India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have a material adverse effect on our ability to develop our business. This could adversely affect our business, prospects, financial condition and results of operations.

6. *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 SENSEX, BSE's benchmark index, reduced by more than 50%, representing approximately 10,700 points, in the calendar year 2008. In January 2008, the Sensex fell by 15%.

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.

7. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government of India has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the real estate sector, foreign investment and other matters affecting investment in our securities could change as well. A change in the Government pursuant to ongoing elections may result in significant change in the Government policies in the future. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and could adversely affect our business, prospects, financial condition and results of operations, in particular.

8. *Natural calamities could have a negative impact on the Indian economy which may have an adverse affect on our business and results of operations.*

India has experienced floods, earthquakes, tsunamis, cyclones and droughts in recent years. Such natural catastrophes could disrupt our operations, production capabilities, distribution chains or damage our manufacturing facility. For example in December 2004, Southeast Asia, including the eastern coast of India, experienced a tsunami and in October 2005, the State of Jammu and Kashmir experienced an earthquake, both of which caused significant loss of life and property damage. We cannot assure prospective investors that such events will not occur in the future or that our business, prospects, financial condition and results of operations will not be adversely affected.

9. *An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business and results of operations.*

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on our business. Although, we have not been adversely affected by such outbreaks, we can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concern will not have an adverse effect on our business, prospects, financial condition and results of operations.

10. *Our ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control over us. Consequently, even if a potential takeover would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our stakeholders, it is possible that such a takeover would not be attempted or consummated because of Indian takeover regulations.

10. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessment of our financial condition.*

As stated in the reports of our independent auditors included in this Draft Red Herring Prospectus, our financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods

stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

11. *There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on 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 the United States and other more developed countries. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in a developed country

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

Our Articles of Association, regulations of our directors and Indian law govern our corporate affairs. Legal principles related 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 under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder than as shareholder of a corporation in another jurisdiction.

13. *Investors may not be able to enforce a judgment of a foreign court against us.*

We are a limited liability company incorporated under the laws of India. Substantially all of the directors and executive officers named herein are residents of India and a substantial portion of our assets and such persons are located in India. To initiate any proceedings against us in a foreign court, it may be necessary to serve process upon us using methods of service as permitted under the Hague Convention.

Recognition and enforcement of foreign judgment is provided for under Section 13 and Section 44A of the Civil Code. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated subject to certain exceptions.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Government has by notification declared to be reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

Only certain countries, including the United Kingdom have been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit, brought within 3 years from the date of judgment upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian Court would enforce foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our 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 our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

Risks Relating to the Equity Shares

1. *The price of the Equity Shares may be highly volatile after the Issue.*

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

2. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect an shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time*

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian Stock Exchanges. The percentage limits on our circuit breakers are set by the NSE and the BSE. The NSE and the BSE does not inform us of the percentage limit of such circuit breakers and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of our Equity Shareholders to sell the Equity Shares or the price at which Equity Shareholders may be able to sell their Equity Shares at a particular point in time.

3. *Fluctuation in the exchange rate between the Rupee and the United States dollar could have a material adverse effect on the value of Equity Shares, independent of our operating results.*

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into US dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

4. *Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares.*

The future issuances of Equity Shares by us or the disposal of Equity Shares by any of our major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares.

There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

5. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. Approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

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

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

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

Sale of Equity Shares by any holder may give rise to tax liability in India, as discussed in the section titled "Statement of Tax Benefits" on page 59 of this Draft Red Herring Prospectus.

8. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents 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, which are sought to be transferred, 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 Equity 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.

Notes to Risk Factors

1. Public Issue of up to [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share), including an Offer for Sale of 3,166,498 Equity Shares aggregating upto Rs. 4,950 million. The Issue will constitute up to [●]% respectively of our post Issue paid-up capital.
2. The net worth of our Company as of June 30, 2009 was Rs. 2,529.58 million and Rs. 2,562.25 million, based on restated consolidated financial information and restated standalone financial information of our Company.
3. The book value per Equity Share was Rs. 22.04 and Rs. 22.35 as of June 30, 2009, based on the restated consolidated financial information and restated standalone financial information of our Company.
4. Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations, this being an Issue for less than 25% of the post Issue share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs. Provided that, the 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. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.
5. Other than as stated in section titled "**Capital Structure**" beginning on page 28 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
6. The average cost of acquisition of our Equity Shares by our Promoters as on December 23, 2009:

Name of Promoters	Average cost of acquisition per Equity Share (In Rs.)*
Mr. Nayan Bheda	1.43
Mr. Sachin Deshmukh	1.43
Mr. Mahesh Shetty	0.96
Mr. Nayan Shah	9.91
Mr. Chetan Bheda	1.43
Mr. Animesh Dharamsi	1.43
NMS Holdings Private Limited	1.16

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. For more information, please refer to the section titled “Capital Structure” beginning on page 28 of the Draft Red Herring Prospectus.*

7. Under-subscription, if any, in the Non-Institutional and Retail Portion would be allowed to be met with spill over from any other category at the discretion of the Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.
8. In case of over-subscription of the Issue, allotment to QIBs, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled “**Issue Procedure - Basis of Allocation**” beginning on page 259 of this Draft Red Herring Prospectus.
9. Except as disclosed in the sections titled “**Promoters and Group Companies**” or “**Management**” beginning on pages 155 and 142, respectively, none of our Promoters, our Directors and our other key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or held by the companies, in which they are interested as directors or members and to the extent of the benefits arising out of such shareholding.
10. For details of our related party transactions, please refer to the section titled “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus.
11. Our Company was originally incorporated as ‘Neptune Developers Private Limited’ on July 15, 2004 under the Companies Act as a private limited company with the RoC, Mumbai. Our Company was converted to a public company pursuant to a shareholders’ resolution dated October 14, 2009 and its name was changed to ‘Neptune Developers Limited’. The RoC, Mumbai has issued a fresh certificate of incorporation consequent to the conversion and change in name on November 12, 2009. The aforesaid change was made in the name to reflect the changing nature of the constitution of the Company. For further details, including changes in our Memorandum of Association, see section titled “**History and Certain Corporate Matters**” beginning on page 109 of this Draft Red Herring Prospectus.
12. For details of transactions in the securities of our Company by our Promoters, directors of our Promoter company, the Promoter Group and Directors in the last six months, see section titled “**Capital Structure**” beginning on page 28 of this Draft Red Herring Prospectus.
13. Investors are advised to refer to section titled “**Basis for Issue Price**” beginning on page 56 of this Draft Red Herring Prospectus.
14. Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, see the section titled investors shall be in dematerialize “**Issue Procedure**” beginning on page 238 of this Draft Red Herring Prospectus.
15. Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever.
16. Investors may contact the BRLM for any complaints pertaining to the Issue.
17. We have entered into a non-compete agreement dated December 18, 2009 with our individual Promoters. Further, we undertake, execute and develop several of our projects in association with our Group Companies. Other than as stated here, and as disclosed in section titled “**Financial Statements**”, none of our Group Companies have any business interest in our Company. For further details, on the non-compete agreement, see section titled “**History and Certain Corporate**

Matters” beginning on page 109 of this Draft Red Herring Prospectus. For details on the projects of our Company, see section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

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

SECTION III - INTRODUCTION

Summary of the Business

Overview

We are a first generation Indian real estate development company. We started our operations in 2004 and in a period of five years have created a diversified portfolio of real estate development projects mainly in MMR. Our projects are at different stages of development and completion and include residential, retail, commercial and IT/ITES properties. Our investors include IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Fund Scheme – I & III and India Basket Limited, Cyprus (promoted by REAL IS, a part of the German Sparkassenfinanzgruppe).

As at November 30, 2009, we had three Completed Projects with a total Developable Area of 1,437,235.17 sq. ft. and a total Saleable Area of 14,47,436.98 sq. ft. In addition, we had seven Ongoing Projects with a total Developable Area of 8,511,996.39 sq. ft. and a total Saleable Area of 6,450,696.07 sq. ft., eight Forthcoming Projects with a total Developable Area of 26,714,266.72 sq. ft. and a total Saleable Area of 24,955,105.56 sq. ft. and one Proposed Project with a Developable Area of 765,964.49 sq. ft. and a Saleable Area of 765,964.49 sq. ft. As at November 30, 2009, approximately 62.08% of our projects in terms of total Developable Area were located in the MMR and 46.03% of our projects were residential developments.

We develop residential projects, which range from high end to affordable and low cost categories and which are targeted at and sold to high, middle and low income customers. Our affordable and low cost housing is developed under our "Swarajya" brand. Our key projects are:

- Neptune Evolution Park in Kurla, MMR, an Ongoing commercial project, with energy saving features, centralized air conditioning, eco-friendly and handicap friendly design. It has been designed by Foster + Partners, London and targeted at Indian and International corporate occupiers.
- Magnet Mall in Bhandup, MMR, an Ongoing retail project designed by Forrec, Canada. Part of the completed portion of this project is occupied by Metro Cash & Carry, a German retail company with presence in 30 countries and stores at 544 locations. (source: www.metro.co.in viewed on December 24, 2009)
- Neptune Living Point in Bhandup, MMR, a Completed residential project which was designed by Forrec, Canada offering 2-3 BHK residential flats in six towers of 22 storeys each.
- Neptune Swarajya in Ambivali, Kalyan, MMR, an Ongoing residential project in the affordable housing sector offering 1-2 BHK residential flats priced at less than Rs. 1 million each.

We aim to acquire and develop land that we believe has locational advantages and is reasonably priced. In developing our properties we place an emphasis on architecture, infrastructure, raw materials and facilities and seek to apply aesthetic design techniques and to make the optimum use of available space. We seek to work with international and local architects to create a blend of international as well as Indian architecture. In the past we have engaged international architect firms such as Foster + Partners of London, Forrec of Canada, and Amatrix of Hong Kong, and local firms, such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala.

We also benefit from our Promoters' experience in the real estate sector. Mr. Nayan Bheda, Mr. Nayan Shah and Mr. Sachin Deshmukh, three of our promoters, together with our Chief Financial Officer, have an average experience of 12 years in the real estate business. We benefit from their knowledge of the opportunities in real estate development coupled with their capabilities in various aspects of real estate development from identification and acquisition of land, planning, execution and marketing and maintenance and management of our completed developments.

Our total income on a consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.20 million, Rs. 1,767.49 million, Rs. 4.02 million and Rs. 4.52 million, respectively, and our profit after tax for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.06 million, Rs. 97.49 million, Rs. 25.22 million and Rs. 8.47 million, respectively. Our total income on a standalone basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 54.90 million, Rs. 159.19 million, Rs. 42.78 million and Rs. 23.77 million, respectively, and our profit after tax for the three months

ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 37.47 million, Rs. 114.53 million, Rs. 25.43 million and Rs. 8.47 million, respectively.

Competitive Strengths

We believe that the following are our key competitive strengths.

Strong presence in the MMR and additional projects in six other key cities

Approximately 62.08% of our Completed, Ongoing, Forthcoming and Proposed Projects in terms of total Developable Area are located in the MMR. We believe that the MMR has a significant shortage of developable open land and that it is a lucrative real estate market in terms of price per square foot. We believe that we have familiarity with and good knowledge of the local market conditions and that this will assist us in identifying developable parcels of land in the MMR in the future. We are also using the experience that we have already gained from developing our projects in the MMR to develop real estate projects in Kochi, Chennai, Hyderabad, Nagpur, Pune and Visakhapatnam. We believe that our real estate projects in other key cities in India will be an important contributor to diversifying our revenue streams in the future.

Diversified portfolio of projects

Our portfolio consists of a broad range of Completed, Ongoing, Forthcoming and Proposed projects focusing on residential, retail, commercial and IT/ITES properties. We develop residential projects in the high end, middle and low cost and affordable categories which are targeted at and sold to customers in high, middle and low income groups. Our retail, commercial and IT/ITES projects are based on a flexible model of build and lease or build and sell and cater to the needs of a diverse domestic and international customer base. The diversified nature of our portfolio and our diverse customer base will enable us to broaden our revenue streams.

Ability to conceptualize and implement new projects at strategic locations

We believe that our ability to conceptualize and implement new projects at strategic locations will be an important contributor to the future development of our business. For example, we recognized Bhandup's locational advantages of good road and rail access to Mumbai's central areas and the direct connectivity of LBS Marg with commercial destinations in Mumbai such as Bandra-Kurla complex and Kalina. We also identified the potential of the Bhandup area to meet the requirements of local and multinational companies in the IT/ITES, banking, finance and other sectors. As a result, we have executed and are in the process of executing a number of projects in Bhandup - Neptune Living Point, METRO Cash & Carry, Flying Kites and Euclid Towers. We believe that these projects have changed the perception of the Bhandup area and helped to transform it into a destination of choice for our customers.

Similarly we identified the need for affordable housing in the Rs. 1 million or less price range in the MMR and identified Ambivali in Kalyan as a suitable location to meet some of this need. We have a Forthcoming Project at Ambivali and have obtained an in-principle approval from MHADA for the development of an affordable residential project using a PPP model.

Execution track record and the experience of our promoters and management team

We have completed residential, retail and commercial projects in the MMR which, as at November 30, 2009, covered 1,437,235.17 sq. ft. of Developable Area and 1,447,436.9 sq. ft. of Saleable Area. As at November 30, 2009 our Completed residential projects were Harmony in Mulund, MMR with a Developable Area of 76,590.00 sq. ft. and a Saleable Area of 87,200.00 sq. ft. (and which was given an AAA rating for construction quality by Liases Foras, a Mumbai based independent real estate rating agency), and Neptune Living Point in Bhandup, MMR with a Developable Area of 1,094,559.09 sq. ft. and a Saleable Area of 1,094,230.72 sq. ft. As at November 30, 2009, our Completed commercial project was METRO Cash & Carry, completed part of Magnet Mall in Bhandup, MMR, a retail development comprising a Developable Area of 266,086.08 sq. ft. and a Saleable Area of 266,006.25 sq. ft.

We also benefit from our promoters' experience in the real estate sector. Mr. Nayan Bheda, Mr. Nayan Shah and Mr. Sachin Deshmukh, three of our promoters, together with our Chief Financial Officer, have an average experience of 12 years in the real estate business. Their experience in developing projects in addition to projects for our Company includes Neptune Colorscape in Mulund, MMR, consisting of 104 residential apartments, and Flying Colors, a retail development in Mulund, MMR and will be combined with the experience and capabilities of our management team.

Relationships with investors, leading banks, financial institutions and architects

We believe that our relationships with our investors, domestic banks and financial institutions and architects will help us to develop our business. Our investors include real estate investment vehicles such as IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Fund Scheme – I & III, and India Basket Limited, Cyprus (promoted by REAL IS, a part of the German Sparkassenfinanzgruppe). We believe that our relationships with financial institutions and banks such as HUDCO, Indian Bank, Bank of India, Axis Bank, Oriental Bank of Commerce and Punjab National Bank support us to raise funds for our projects.

We have good working relationships with a number of international architect firms such as Foster + Partners, UK, Forrec, Canada and local architect firms such as Vijay Punjabi, Qutub Mandviwala. For example, Evolution, our Forthcoming Project in Kurla, has been designed by Foster + Partners, Magnet Mall, our Ongoing Retail Project in Bhandup, MMR has been designed by Forrec, and Neptune Swarajya Ambivili, our Ongoing Residential and Retail Project in Ambivili, Kalyan, MMR, has been designed by Qutub Mandviwala. We believe that our good working relationships with these firms are valuable in helping us to develop real estate projects that meet our requirements

Business Strategy

The key elements of our business strategy are as follows:

Continue to focus on developing projects in the MMR

Approximately 62.08% of our Completed, Ongoing, Forthcoming and Proposed Projects are in the MMR in terms of total Developable Area. We expect there to be continued demand, in particular, for residential projects in the MMR and believe that continuing to execute projects in the MMR is critical to our growth strategy. We intend to focus on completing our existing projects in the MMR and on developing new projects as we identify and acquire additional land for projects. We will continue to seek strategic development opportunities in the MMR either on our own or jointly with third parties.

Execute projects nationally

We intend to use our experience in developing projects in the MMR to help us to develop projects in other parts of India. We have Forthcoming Projects in Hyderabad, Pune, Nagpur, Kochi and Visakhapatnam. We intend to focus on executing projects primarily in the residential segment and also in retail and commercial segments in these and other major cities. We will follow the strategy that we have already applied in the MMR of targeting land that we believe to have locational advantages and to be reasonably priced and customers who range from high to low income. We will develop affordable and low cost housing under our Swarajya brand (as is the case already with our projects in Nagpur and Pune). In this regard, we may explore the possibilities of tying up with investors intending to invest in our real estate projects.

Enhanced design and construction capabilities

We plan to outsource a substantial part of the design and construction activities related to our projects to international and domestic firms who specialize in these areas. Our association with international architect firms such as Foster + Partners, Forrec, and Amatrix, and local firms, such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala and their experience and know how helps us to create what we believe are innovative designs. We believe that our association with contractors and consultants such as BL Kashyap, Stup Consultants P. Ltd. and Sterling Engineering Consultancy Services Private Limited will give us access to new technology, materials, tools and processes and that this will help to ensure quality construction.

Enter new business of slum rehabilitation and re-development

We intend to enter the business of slum rehabilitation and redevelopment. These projects involve clearing slum lands owned by the Government or private parties, re-housing affected slum dwellers and redeveloping the cleared land for projects or for other infrastructure purposes. (Source: www.mdmu.maharashtra.gov.in viewed on December 24, 2009) Land occupied by slum dwellers constitutes a significant portion of developable land in Mumbai and rehabilitation projects therefore provide significant opportunities for real estate development in attractive locations. We are one of the joint bidders shortlisted by the Government of Maharashtra for the Dharavi slum rehabilitation project in Mumbai.

Summary of the Industry

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 the Company, the Book Running Lead Manager, or their respective legal, financial or other 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 Real Estate Sector

The real estate sector includes residential housing, commercial offices, retail outlets, trading spaces such as theatres, hotels and restaurants and industrial buildings such as factories and government buildings. It involves the purchase, sale, and development of land as well as of residential and non-residential buildings.

The Indian real estate sector plays a significant role in the country's economy and is second only to agriculture in terms of employment generation. (Source: India Brand Equity Foundation, www.ibef.org) Almost 80% of real estate developed in India is residential space, the rest comprising of offices, shopping malls, hotels and hospitals. According to estimates of the Technical Group constituted by the Ministry of Housing and Urban Poverty Alleviation for assessment of urban housing shortage at the end of the Tenth Five Year Plan, the total housing shortage in the country is 24.71 million homes. Over the next 10 to 15 years, 80 to 90 million housing dwelling units are expected to be constructed with a majority of them catering to middle-and lower-income groups. The housing sector contributes almost 5% of the country's GDP. In the next five years, this contribution to the GDP is expected to rise to 6%. (Source: India Brand Equity Foundation, www.ibef.org)

According to the latest data given by the Department of Policy and Promotion, Foreign direct investment (FDI) into India in the real estate sector for the year 2008-09 was approximately US\$12.62 billion. (Source: India Brand Equity Foundation, www.ibef.org)

The Residential Segment

Cushman & Wakefield's research estimates that pan-Indian demand for residential housing will be over approximately 7.5 million units by 2013, across all categories including Economically Weaker Sections ("EWS"), affordable, mid- and luxury segments. Further, it is estimated that residential demand for the top seven Indian cities will be approximately 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated by in cities such as Bangalore, Mumbai and NCR. It is estimated that Mumbai is likely to witness the highest cumulative demand of 1.6 million units by 2013 due to various development projects and increased urbanisation in the city. The affordable and mid-segments of the market are likely to constitute 85% of the total residential demand, and will be the primary focus of most developers. (Source: Cushman & Wakefield: *Survival to Revival*, 2009)

The Affordable Housing/Low Cost Housing Segment

Affordable housing is a term used to describe dwelling units whose total housing costs are deemed "affordable" to a group of people within a specified income range. The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. The lack of affordable housing is a significant hardship for low-income households, preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families. (Source: ICICI Property Services, *Report on Affordable Housing dated September 2009*)

The Commercial Segment

Cushman & Wakefield's research estimates that demand for commercial office space will be 196 million sq. ft. by 2013, with seven major cities, including Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune accounting for approximately 80% of the demand. Established commercial centres are expected to remain slower in growth than their tier 2 counterparts. Cumulative demand among the tier 1 cities of Mumbai, NCR and Bangalore 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 & Wakefield: *Survival to Revival*, 2009)

The Retail Segment

Cushman & Wakefield's research estimates that cumulative demand for retail space across India will reach 43 million sq. ft. by 2013, of which the top seven cities in India are likely to account for nearly 34.6 million sq. ft. This demand is expected to be concentrated in Bangalore, Mumbai and NCR which will constitute approximately 46% of the total estimated pan-Indian demand between 2009 and 2013. Pune is expected to record the highest compound annual growth (due to the limited stock of operational malls and favourable demographic profile within Pune), whilst Bangalore, Mumbai and NCR are expected to experience the highest demand, together comprising approximately 20 million sq. ft. of retail space. According to the Investment Commission of India, as cited by Cushman & Wakefield's research, organised retail is expected to grow from 5% to 15.5% by 2016, which highlights the potential for pan India expansion amongst retailers. *(Source: Cushman & Wakefield: Survival to Revival, 2009)*

Summary Financial, Operating and Other Data

UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Million

	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
A)	FIXED ASSETS						
	Gross Block	96.17	90.25	61.06	-	-	-
	Less: Depreciation	23.22	19.43	3.60	-	-	-
	Net Block	72.94	70.82	57.46	-	-	-
	(A)	72.94	70.82	57.46	-	-	-
B)	INVESTMENTS	577.50	586.23	1,449.28	332.85	480.32	-
	(B)	577.50	586.23	1,449.28	332.85	480.32	-
C)	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	1,258.88	1,230.86	827.90	-	-	-
	Cash and Bank Balances	24.67	3.20	3.33	0.13	0.73	5.08
	Loans and Advances	2,821.90	2,686.42	478.70	211.03	2.12	76.50
	Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
	Loans and Advances after adjustment of Revaluation Reserve	2,628.24	2,492.76	478.70	211.03	2.12	76.50
	(C)	3,911.78	3,726.81	1,309.92	211.17	2.85	81.58
D)	LIABILITIES AND PROVISIONS						
	Secured Loans	95.46	79.65	0.88	-	39.70	-
	Unsecured Loans	1,315.00	1,315.00	1,390.13	57.66	26.60	-
	Advances & Deposits from customers	375.06	256.45	67.50	60.00	-	-
	Current Liabilities and Provisions	214.92	228.36	473.49	0.98	0.27	0.02
	(D)	2,000.44	1,879.46	1,932.00	118.64	66.57	0.02
E)	DEFERRED TAX ASSET / (LIABILITY) (E)	0.46	0.38	0.29	-	-	-
F)	NET WORTH (A+B+C-D+E)	2,562.25	2,504.78	884.95	425.37	416.60	81.57
	Represented by Share Capital	390.80	390.80	336.60	336.60	336.60	83.10
	Share Application Money	84.40	64.40	443.80	10.60	10.60	-
	Reserves and Surplus	2,280.71	2,243.25	104.55	79.08	70.61	-
	Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
	Reserves (Net of Revaluation Reserve)	2,087.05	2,049.58	104.55	79.08	70.61	-
	Miscellaneous Expenditure	-	-	-	(0.91)	(1.21)	(1.53)

	(to the extent not written off or adjusted)						
H)	NET WORTH	2,562.25	2,504.78	884.95	425.37	416.60	81.57

Note:

The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIII.

UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. In Million

	Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
A	INCOME						
	Share of Profit from Partnership Firm	7.26	42.39	42.78	23.77	15.33	-
	Total Operating Income	7.26	42.39	42.78	23.77	15.33	-
	Other Income	47.64	116.80	-	-	0.07	-
	Total (A)	54.90	159.19	42.78	23.77	15.41	-
B	EXPENDITURE						
	Land Acquisition / Improvement Cost	0.20	338.54	784.23	-	-	-
	Cost of Construction	6.94	16.12	2.73	-	-	-
	(Increase) / Decrease in Inventory	(28.02)	(402.96)	(785.11)	-	-	-
	Administrative, Selling & Other Expenses	14.61	30.01	19.36	3.64	0.02	-
	Finance Expenses	2.47	2.45	19.61	5.19	0.25	-
	Depreciation	3.80	15.84	3.60	-	-	-
	Preliminary expenses written off	-	-	0.91	0.30	1.44	-
	Total (B)	(0.00)	(0.00)	45.33	9.14	1.71	-
	Net Profit Before Tax and Extraordinary Items (A-B)	54.90	159.19	(2.54)	14.63	13.69	-
	Less : Taxation	(17.50)	(28.43)	-	-	-	-
	Less : Provision for Deferred Tax	0.09	0.08	0.29	-	-	-
	Less : Provision for Wealth Tax	(0.02)	(0.03)	-	-	-	-
	Less : Provision for Fringe Benefit Tax	-	(0.54)	(0.40)	-	-	-
	Less : Profit of the Firm distributed to the partners	-	-	-	-	-	-
	Less : Prior Period Adjustments	-	(38.64)	-	-	-	-
	Less : Minority Interest	-	-	-	-	-	-
	Net Profit Before Extraordinary Items	37.47	91.62	(2.65)	14.63	13.69	-
	Less : Extraordinary Items	-	-	-	-	-	-

	Net Profit After Extraordinary Items As Per Audited Financial Statement	37.47	91.62	(2.65)	14.63	13.69	-
	Less : Adjustments made on account of Restatement (Refer Note C of Annexure XIII on Restatement Adjustments)	-	22.91	28.08	(6.16)	(2.48)	-
	Net Profit After Tax As Per Restated	37.47	114.53	25.43	8.47	11.21	-
	Profit and Loss account, beginning of the year	159.68	45.15	19.68	11.21	-	-
	Balance available for appropriations, as restated	197.15	159.68	45.15	19.68	11.21	-
	Transfer to General Reserve	-	-	-	-	-	-
	Dividend	-	-	-	-	-	-
	Tax on Dividend	-	-	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	197.15	159.68	45.15	19.68	11.21	-

Note:

The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIII.

UNCONSOLIDATED SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

Rs. In Million

Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
Cash Flows From Operating Activities						
Net Profit before taxation, and extraordinary items	37.47	114.53	25.47	8.47	11.21	-
Adjustment for:	-	-	-	-	-	-
Depreciation	3.80	15.84	3.60	-	-	-
Deferred Tax	(0.09)	(0.08)	(0.29)	-	-	-
Preliminary expenses written off	-	-	0.91	0.30	0.32	-
Other Income	(47.53)	(116.89)	-	-	-	-
Finance Expenses	2.47	2.45	19.61	5.19	0.25	-
Operating profit before working capital changes	(3.88)	15.85	49.29	13.97	11.78	-
(Increase)/Decrease in Sundry debtors	-	-	0.02	-	-	-
(Increase)/Decrease in Inventories	(28.02)	(402.96)	(827.90)	-	-	-
(Increase)/Decrease in Loans and advances	(135.48)	(2,014.06)	(267.69)	(208.91)	74.38	(76.50)
Increase/(Decrease) in Current liabilities	105.18	(56.19)	480.01	60.71	0.26	0.02
Cash generated from operations	(62.21)	(2,457.36)	(566.26)	(134.24)	86.41	(76.48)
Income tax paid						
Preliminary expenses	-	-	-	-	-	(1.53)
Net Cash from operating activities (A)	(62.21)	(2,457.36)	(566.26)	(134.24)	86.41	(78.02)
Cash flow from Investing activities	-	-	-	-	-	-
Net Increase in Fixed assets	(5.92)	(29.20)	(61.06)	-	-	-
(Increase) / Decrease in Investments	8.73	863.05	(1,116.43)	147.47	(480.32)	-
Interest Received / Dividend Received	47.53	116.89	-	-	-	-
Net Cash from investing activities (B)	50.34	950.74	(1,177.49)	147.47	(480.32)	-
Cash Flow From Financing Activities						
Proceeds from issue of share capital	-	54.20	-	-	253.50	83.10
Share Premium	-	1,830.50	-	-	59.40	-
Share Application Money	20.00	(379.40)	433.20	-	10.60	-
Net increase in Long term borrowings	15.81	3.64	1,333.35	(8.63)	66.30	-
Finance Expenses	(2.47)	(2.45)	(19.61)	(5.19)	(0.25)	-
Net Cash from Financing activities (C)	33.34	1,506.49	1,746.94	(13.83)	389.55	83.10
Net increase in cash and cash equivalents (A+B+C)	21.47	(0.13)	3.20	(0.60)	(4.35)	5.08
Cash and cash equivalents at beginning of period	3.20	3.33	0.13	0.73	5.08	-
Cash and cash equivalents at the end of period	24.67	3.20	3.33	0.13	0.73	5.08

Note:

The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Million

	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A)	FIXED ASSETS				
	Gross Block	131.09	124.58	95.52	26.54
	Less: Depreciation	38.65	33.80	14.18	6.18
	Net Block	92.45	90.77	81.34	20.36
	(A)	92.45	90.77	81.34	20.36
B)	INVESTMENTS	324.72	324.72	324.72	0.25
	(B)	324.72	324.72	324.72	0.25
C)	CURRENT ASSETS, LOANS AND ADVANCES				
	Inventories	5,862.17	5,583.42	5,211.55	2,570.48
	Sundry Debtors	23.17	26.73	0.80	0.92
	Cash and Bank Balances	149.31	81.15	50.91	236.59
	Loans and Advances	1,691.38	1,583.21	767.23	439.88
	(C)	7,726.02	7,274.51	6,030.49	3,247.87
D)	LIABILITES AND PROVISIONS				
	Secured Loans	1,720.54	1,561.75	905.21	567.04
	Unsecured Loans	1,475.85	1,401.83	1,446.12	270.21
	Advances & Deposits from customers	2,004.39	1,806.27	2,797.84	2,115.92
	Current Liabilities and Provisions	687.99	708.91	648.85	92.26
	(D)	5,888.78	5,478.76	5,798.02	3,045.43
E)	MINORITY INTEREST ASSET / (LIABILITY)	(E)	274.35	275.59	245.91
F)	DEFERRED TAX ASSET / (LIABILITY)	(F)	0.82	0.69	0.29
					-
G)	NET WORTH (A+B+C-D+E+F)	2,529.58	2,487.53	884.74	425.37
	Represented by Share Capital	390.80	390.80	336.60	336.60
	Share Application Money	84.40	64.40	443.80	10.60
	Reserves and Surplus	2,054.38	2,032.32	104.34	79.08
	Miscellaneous Expenditure	-	-	-	(0.91)
	(to the extent not written off or adjusted)				
H)	NET WORTH	2,529.58	2,487.53	884.74	425.37

Note:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIV.
2. The company was not having any subsidiary during FY 2004-05 and FY 2005-06.

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. In Million

	Particulars	For the Year Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A	INCOME				
	Sales	5.67	1,720.61	1.48	4.06
	Total Operating Profit	5.67	1,720.61	1.48	4.06
	Other Income	16.53	46.88	2.55	0.46
	Total (A)	22.20	1,767.49	4.02	4.52
B	EXPENDITURE				
	Land Acquisition / Improvement Cost	0.20	655.38	1,065.15	179.02
	Cost of Construction	163.79	1,011.68	1,278.03	656.88
	(Increase) / Decrease in Inventory	(278.75)	(371.87)	(2,679.12)	(995.37)
	Administrative, Selling & Other Expenses	34.47	106.66	92.53	49.72
	Finance Expenses	54.10	181.64	206.42	75.94
	Depreciation	4.84	19.63	8.01	3.70
	Preliminary expenses written off	-	0.34	0.91	0.30
	Total (B)	(21.35)	1,603.47	(28.06)	(29.80)
	Net Profit Before Tax (A-B)	43.54	164.02	32.09	34.32
	Less : Taxation	(21.61)	(57.28)	-	-
	Less : Provision for Deferred Tax	0.13	0.39	0.29	-
	Less : Provision for Wealth Tax	(0.02)	(0.04)	-	-
	Less : Provision for Fringe Benefit Tax	-	(1.31)	(1.29)	-
	Less : Profit of the Firm distributed to the partners	-	-	-	-
	Less : Prior Period Adjustments	-	4.11	-	22.78
	Net Profit After Tax Before Minority Interest And Share Of Profit/(Loss) In Associates As Per Audited Financial Statement	22.05	109.89	31.09	57.10
	Less : Minority Interest	0.01	(8.25)	(21.96)	(12.61)
	Less : Loss of Associate	(0.00)	(0.11)	(0.21)	-

	Net Profit Before Extraordinary Items	22.06	101.50	8.92	44.49
	Less : Extraordinary Items	-	-	-	-
	Net Profit After Extraordinary Items As Per Audited Financial Statement	22.06	101.50	8.92	44.49
	Less : Adjustments made on account of Restatement (Refer Note 3 of Annexure XIV on Restatement Adjustments)	-	(4.01)	16.30	(36.02)
	Net Profit After Tax As Per Restated	22.06	97.49	25.22	8.47
	Profit and Loss account, beginning of the year	142.43	44.94	19.68	11.21
	Balance available for appropriations, as restated	164.48	142.43	44.94	19.68
	Transfer to General Reserve	-	-	-	-
	Dividend	-	-	-	-
	Tax on Dividend	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	164.48	142.43	44.94	19.68

Note:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIV.
2. The company was not having any subsidiary during FY 2004-05 and FY 2005-06.

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

Rs. In Million

Particulars	For the Quarter Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Cash Flows From Operating Activities				
Net Profit before taxation, and extraordinary items	22.06	97.49	25.25	8.47
Adjustment for:		-		
Depreciation	4.84	19.63	8.01	3.70
Deferred Tax	(0.13)	(0.40)	(0.29)	-
Interest on Capital in Partnership Firm	-	-	-	-
Preliminary expenses written off	-	0.34	0.91	0.30
Loss of Associates (not debited to P/L)	-	-	-	-
Other Income	(16.53)	(45.74)	(2.55)	(0.01)
Finance Expenses	54.10	181.64	206.42	75.94
Operating profit before working capital changes	64.34	252.97	237.75	88.40
		-		
(Increase)/Decrease in Sundry debtors	3.55	(25.93)	0.14	(0.92)
(Increase)/Decrease in Inventories	(278.75)	(371.87)	(2,641.07)	(2,570.48)
(Increase)/Decrease in Loans and advances	(108.16)	(815.98)	(327.37)	(439.88)
(Increase)/Decrease in Minority Interest	1.24	(29.68)	(43.59)	(202.31)
Increase/(Decrease) in Current liabilities	177.20	(931.51)	1,238.51	2,208.17
Cash generated from operations	(140.58)	(1,922.00)	(1,535.63)	(917.02)
Income tax paid	-	-	-	-
Preliminary expenses	-	(0.34)	-	(1.21)
Net Cash from operating activities (A)	(140.58)	(1,922.34)	(1,535.63)	(918.23)
Cash flow from Investing activities		-		
Net (Increase)/Decrease in Fixed Asset	(6.52)	(29.06)	(68.98)	(24.06)
Net (Increase)/Decrease in Investments	0.00	0.01	(324.47)	(0.25)
Sale of Fixed Assets (including Capital WIP)	-	-	-	-
Interest Received / Dividend Received	16.53	45.74	2.55	0.01
Net Cash from investing activities (B)	10.02	16.68	(390.91)	(24.30)

Cash Flow From Financing Activities		-		
Proceeds from issue of share capital	-	54.20	-	336.60
Share Premium and Reserves	-	1,830.50	-	70.61
Share Application Money	20.00	(379.40)	433.20	10.60
Net increase in Long term borrowings	232.82	612.25	1,514.08	837.25
Finance Expenses	(54.10)	(181.64)	(206.42)	(75.94)
Net Cash from Financing activities (C)	198.72	1,935.91	1,740.86	1,179.12
Net increase in cash and cash equivalents (A+B+C)	68.16	30.24	(185.68)	236.59
Cash and cash equivalents at beginning of period	81.15	50.91	236.59	-
Cash and cash equivalents at the end of period	149.31	81.15	50.91	236.59

Note:

The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.

Issue Details

Public Issue aggregating upto Rs. 4,950 million¹: [●] Equity Shares

Which comprises:

Fresh Issue²: [●] Equity Shares

Offer for Sale³: 3,166,498 Equity Shares

Net Issue: [●] Equity Shares

Of which:

QIB Portion⁴: At least [●] Equity Shares (allocation on proportionate basis), of which 5% of the QIB Portion (excluding Anchor Investor Portion) or [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only (Mutual Funds Portion) and [●] Equity Shares shall be available for allocation to all QIBs, including Mutual Funds.

Non-Institutional Portion⁵: Up to [●] Equity Shares

Retail Portion⁵: Up to [●] Equity Shares

Equity Shares outstanding prior to the Issue: 115,440,693 Equity Shares

Equity Shares outstanding post the Issue: [●] Equity Shares

Use of the Issue proceeds: For details of the Objects of the Fresh Issue, see the section titled “**Objects of the Issue**” beginning on page 47. Our Company will not receive any proceeds from the Offer for Sale. Further, no part of the Net Proceeds of the Fresh Issue will be paid by our Company as consideration to our Promoters, our Directors, and key managerial personnel, except as may be required in the normal course of business.

¹ The Issue currently comprises of the Fresh Issue of [●]% of our fully diluted post-Issue share capital and the Offer for Sale by the Selling Shareholder of at least [●]% of our fully diluted post-Issue share capital. Allocation of Equity Shares in the Issue will be on a proportionate basis with respect to the Equity Shares offered by the Selling Shareholder under the Offer for Sale and to the Equity Shares issued by our Company by way of the Fresh Issue.

² The present Issue has been authorised by our Board vide their resolution dated December 22, 2009 and by the shareholders of our Company at the general meeting held on December 23, 2009.

³ The Selling Shareholder has authorised transfer of 3,166,498 Equity Shares towards the Offer for Sale pursuant to a circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of its Trustee, IL&FS Trust Company Limited.

The Selling Shareholder is offering up to 3,166,498 Equity Shares, which have been held for a period of at least one year as on the date of filing of the Draft Red Herring Prospectus with SEBI and, hence, are eligible for being offered for sale in the Issue.

⁴ Our 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. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining Net QIB Portion. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form. In the event of under subscription in the Mutual Fund Portion only, the unsubscribed portion would be added to the balance of the Net QIB Portion to be allocated on a proportionate basis to the QIB Bidders. Provided further that the Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Anchor Investor Bid. Any difference between the amount payable by an Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Anchor Investor Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date. For further details, please see the section titled “**Issue Procedure**” beginning on page 238 of this Draft Red Herring Prospectus.

⁵ Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non Institutional Portion, and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of the Company and the Selling Shareholder, in consultation with the Book Running Lead Manager 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 forthwith. The Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI ICDR Regulations.

General Information

Our Company was originally incorporated as ‘Neptune Developers Private Limited’ on July 15, 2004 under the Companies Act as a private limited company with the RoC, Mumbai. Our Company was converted to a public company pursuant to a shareholders resolution dated October 14, 2009 and its name was changed to ‘Neptune Developers Limited’. The RoC has issued a fresh certificate of incorporation consequent to the conversion and change in name on November 12, 2009. For further details on the change in status, name and change in registered office, please refer to the section titled “**History and Certain Corporate Matters**” beginning on page 109 of this Draft Red Herring Prospectus.

Registered and Corporate Office of our Company

Neptune Developers Limited,
Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083,
Maharashtra, India

For details in changes in our Registered Office, see the section titled “**History and Certain Corporate Matters**” beginning on page 109 of this Draft Red Herring Prospectus.

Details	Registration/Identification number
Registration Number	11- 147510
Company Identification Number	U70102MH2004PLC147510

Address of the Registrar of Companies

Our Company is under the jurisdiction of the Registrar of Companies, Mumbai having its office at the following location:

Everest, 100 Marine Drive,
Mumbai 400 002,
Maharashtra, India
Website: www.mca.gov.in

Board of Directors

The following table sets out the current details regarding our Board as on the date of the filing of this Draft Red Herring Prospectus:

Name and Designation	Age (In years)	Address
Mr. Kamlesh Vikamsey <i>Chairman, Non-Executive and Independent Director</i>	49	194, Kalpataru Habitat, Tower A, Dr. S.S Rao Road, Parel, Mumbai 400 012, Maharashtra, India
Mr. Nayan Bheda <i>Managing Director</i>	37	1401 / 1402, Raj Darshan Co-operative Housing Society Ltd, 14th Floor, Behind Jain Temple, Sarvodaya Nagar, Mulund (West), Mumbai – 400 080*
Mr. Sachin Deshmukh <i>Executive Director</i>	38	Man - Sneh, Purushottam Kheraj Road, Mulund (West), Mumbai 400 080, Maharashtra, India
Mr. Mahesh Shetty <i>Non-Executive Director</i>	45	1305, 13 th Floor, Kalinga Mulund Jogeshwari, Link Road, Mulund (West), Mumbai 400 080, Maharashtra, India
Mr. Ramesh Jogani <i>Non-Executive and Non-Independent Director (Nominee of IndiaREIT Enterprise Holdings Ltd)</i>	46	1601, Veena Apartments, Walkeshwar Road, Mumbai 400 006, Maharashtra, India

Mr. Nasserddin Munjee <i>Non- Executive Independent Director</i>	57	Benedict Villa, House No.471, Saud Vaddo, Chorao Island, Tiswadi, Goa – 403 102, India
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* The Company has filed the form DIN 4 for change in address on December 28, 2009.

For further details regarding our Board, see the section titled “**Management**” beginning on page 142 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Ms. Siddhi Shah. Her contact details are as follows:

Ms. Siddhi Shah

Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India.
Tel: +91 22 6777 0600
Fax: +91 22 6777 0640
Email: compliance@neptunegroup.in

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

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

Sole Book Running Lead Manager

Enam Securities Private Limited

801, Dalamal Tower,
Nariman Point,
Mumbai 400 021,
Maharashtra, India,
Tel: +91 22 6638 1800
Fax: +91 22 2284 6824
E-mail: neptune.ipo@enam.com
Investor Grievance E-mail: complaints@enam.com
Website: www.enam.com
Contact Person: Mr. Pranav Mahajani
SEBI Registration No: INM000006856

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager. All complaints, queries and comments received by SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

Legal Counsel

Domestic Legal Counsel to the Company

Nishith Desai Associates

Legal and Tax Counseling Worldwide
93-B Mittal Court, Nariman Point,
Mumbai 400 021,
Maharashtra, India
Tel: +91 22 6669 5000
Fax: +91 22 6669 5001
Email: nda@nishithdesai.com

Domestic Legal Counsel to the BRLM	International Legal Counsel to the BRLM
Luthra and Luthra Law Offices 704-706, 7 th Floor, Embassy Centre, Nariman Point, Mumbai 400 021. Tel: +91 22 6630 3600 Fax: +91 22 6630 3700 Email: mumbai@luthra.com	CC Asia Limited 19 th Floor, One George Street, Singapore 049145. Tel: +65 6410 2200 Fax: +65 6410 2288

Registrar to the Issue

Link Intime India Private Limited

C- 13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West),
Mumbai 400 078,
Maharashtra, India.
Tel: +91 22 2596 3838
Fax: +91 22 2594 6969
E-mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. N. Mahadevan Iyer
SEBI Registration No: INR000004058

Bankers to the Issue/ Escrow Collection Bank

[•]

Refund Banker(s)

[•]

Syndicate members

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("ASBA") process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer to the above mentioned SEBI link.

Auditors to the Company

Shaparia & Mehta

Chartered Accountants
1/74, Krishna Kunj,
R. A. Kidwai Road,
Near SNDT College,
Kings Circle, Matunga,
Mumbai – 400 019,
Maharashtra, India.
Tel: +91 22 2409 8906 - 08
Fax: +91 22 2409 8905
Email: sm.ca@vsnl.com

Bankers to the Company

Axis Bank Limited

Konark Darshan,
Next to Jain Mandir,
Zaver Road, Mulund (West),
Mumbai – 400 080,
Maharashtra, India.
Tel: +91 22 2560 5072-74
Fax: +91 22 2560 5075
Contact person: Mr. Niraj Singh & Mr. Sunny Intoliya
Email: niraj.singh@axisbank.com/ mulund.branchhead@axisbank.com
Website: www.axisbank.com

Indian Bank

United India Building,
Sir P M Road, Fort,
Mumbai - 400 001,
Maharashtra, India.
Tel: +91 22 2266 2462, 2266 4633
Fax: +91 22 2266 0769, 2269 0818
Contact person: Mr. L N P V Sridhar, Chief Manager
Email: creditmumbai@indianbank.co.in
Website: www.indianbank.in

Experts

Except as stated below, we have not appointed any experts.

The list of experts and brief details of their respective reports and opinions, are as follows:

1. Certificate from Mandivala Qutub & Associates, Architects dated December 21, 2009 in relation to land held by the Company in Ambivali and Kochi;
2. Certificate from Vijay Punjabi Consultants Private Limited, Architects & Interior Consultants dated December 21, 2009 in relation to land held by the Company in Hyderabad and Thane;
3. Certificate from Icon Architects, Architects dated December 21, 2009 in relation to land held by the Company in Chennai, Pune, Nagpur and Vishakhapatnam;
4. Certificate from Daisaria Associates, Architects & Approved Valuers dated December 21, 2009 in relation to land held by the Company in Kurla, Mumbai;
5. Certificate from TEEARCH, Architects, in relation to land in Bhandup in dated December 21, 2009;
6. Title report and linkage letter from Sontyana Mohan Rao, Advocate, dated December 21, 2009;
7. Title report and linkage letter from Mahendra Salunkhe, Advocate, dated December 21, 2009;
8. Title report and linkage letter from Kishor K. Bhangde, Advocate, dated December 21, 2009;
9. Title report and linkage letter from Mothilal, Goda and Kalliat, Advocate, dated December 21, 2009;
10. Title report and linkage letter from Jagjiwandas Khimji Nathani, Advocate, dated December 21, 2009;
11. Title report and linkage letter from Ganu & Co., Advocate, dated December 21, 2009;
12. Title report and linkage letter from Abhyankar & Co., Advocate, dated December 21, 2009; and
13. Title report and linkage letter from M. Vijaykumar, Advocate, dated December 21, 2009.

Each of the above experts has provided its written consent to act as “expert” to this Issue. The certificate and the opinion stated above form a part of the section titled “**Material Contracts and Documents for Inspection**” beginning on page 303 of this Draft Red Herring Prospectus.

Statement of Responsibilities for the Issue

Enam Securities Private Limited shall be responsible for the following activities to the Issue:

- Capital structuring with the relative components and formalities such as type of instruments, etc.
- Due diligence of the Company’s operations/ management/ business plans/ legal, etc. Drafting and designing of the offer document and of statutory advertisements 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 and SEBI including finalisation of the Prospectus and filing with the Registrar of Companies and Stock Exchanges.

- Drafting and approving of all publicity material other than statutory advertisements as mentioned above including corporate advertisement and brochure.
- Appointing other Intermediaries:
 - (A) Printers;
 - (B) Registrar;
 - (C) Advertising Agency; and
 - (D) Bankers to the Issue.
- International institutional marketing strategy, preparation of road show marketing presentation, FAQs and co-ordination for all road show logistics.
- Finalising the list and division of investors for one on one meetings, institutional allocation.
- Retail/Non-institutional marketing strategy which will cover, *inter alia*,
 - Finalising media, marketing and public relation strategy,
 - Finalising centres for holding conferences for brokers, etc.,
 - Finalising collection centres,
 - Following up on distribution of publicity and Issue material including application forms, Prospectus and deciding on the quantum of the Issue material,
 - Domestic institutions/banks/mutual funds marketing strategy, and
 - Finalising the list and division of investors for one on one meetings, institutional allocation.
- Managing the book, coordinating with Stock Exchanges, pricing and allocation to the QIB Bidders.
- Post bidding activities including managing of Escrow Accounts, coordinating non-institutional allocation, intimating allocation and dispatching of refunds to the Bidders.
- The post issue activities of the Issue will involve essential follow up steps, which include finalising of trading and dealing instruments and dispatching of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling the refunds business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

As the Issue is of Equity Shares only and not convertible debt instruments, credit rating is not required.

IPO Grading

Pursuant to the SEBI ICDR Regulations, this Issue has been graded by [●] and has been assigned a grade of [●]/5 indicating [●] which is valid for a period of [●]. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details in relation to the rationale furnished by [●], see the “Annexure I” beginning on page 307. Attention is drawn to the disclaimer beginning on page [●].

Trustees

As the Issue is of Equity Shares only and not convertible debt instruments, the appointment of trustees is not required.

Monitoring Agency

Since the Issue size does not exceed Rs. 5000 million, the Issuer is not required to appoint a monitoring agency to monitor the use of proceeds of the Issue as per the SEBI ICDR Regulations.

Appraising Entity

The objects of the Issue have not been appraised by any agency. The objects of the Issue and the means of finance are therefore based on the internal estimates of the management of the Company.

Book Building Process

“Book building” refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Book Running Lead Manager;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters;
4. Registrar to the Issue;
5. Escrow Collection Banks; and
6. SCSBs.

Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. The Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of the Bid cum Application Form to the Book Running Lead Manager and the balance within the Pay-in Date which shall be a date no later than two days of the Bid/Issue Closing Date.

In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay Margin Amount of at least 10% upon submission of their Bid and allocation to QIBs will be on a proportionate basis. Provided that QIBs that are Anchor Investors are required to pay 25% of their Bid Amount at the time of submission of the Bid and the balance amount within two days from Bid/Issue Closing Date. Allocation to QIBs will be on a proportionate basis. For further details on the terms of the Issue, see the sections titled “**Terms of the Issue**” and “**Issue Procedure**” beginning on pages 230 and 238 respectively of this Draft Red Herring Prospectus.

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue.

In this regard, our Company and the Selling Shareholder have appointed the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

The process of book building under the SEBI ICDR Regulations is subject to change. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid or Application in the Issue.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid. For further details, see the section titled “**Issue Procedure**” beginning on page 238. Specific attention of ASBA Bidders is invited to the section titled “**Issue Procedure for ASBA Bidders**” on page 267;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
3. Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
4. Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled “**Issue Procedure**” beginning on page 238);
5. Ensure the correctness of your Demographic Details (as defined in the section titled “**Issue Procedure – Bidder’s Depository Account and Bank Account Details**” on page 253), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
6. Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
7. Bids by QIBs will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to the Issue)

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

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

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

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue in accordance with SEBI ICDR Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI ICDR Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date and ASBA Bidders shall not be allowed to revise their Bids.

Bid/Issue Programme

BID/ISSUE OPENS ON	●
BID/ISSUE CLOSES ON	●

The Company and the Selling Shareholder, in consultation with the BRLM, may consider participation by the Anchor Investors for upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis in accordance with SEBI ICDR Regulations on the Anchor Investor Bidding Date. For details see section titled “**Issue Procedure**” beginning on page 238 of this Draft Red Herring Prospectus.

Except in relation to the Bids received from the Anchor Investors, 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 or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 A.M. and 3.00 P.M. (Indian Standard Time)** and uploaded until (i) 4.00 P.M. in case of Bids by QIBs bidding in the Net QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 P.M in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders, except Anchor Investors, are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders other than Anchor Investors 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 in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. ASBA Bidders cannot revise their Bids.

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 timings for acceptance of Bid cum Application Forms as stated herein and reported by the Book Running Lead Manager to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations. The Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two working days before the Bid/ Issue Opening Date.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the SCSBs, BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder confirm that they will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. million)
--------------------------------------	-------------------------------------------------------	-----------------------------------------

Enam Securities Private Limited 801, Dalamal Tower, Nariman Point, Mumbai 400 021, Maharashtra, India, Tel: +91 22 6638 1800 Fax: +91 22 2284 6824 E-mail: neptune.ipo@enam.com SEBI Registration No.: INM000006856	[•]	[•]
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The above mentioned amount is indicative and will be finalized after determination of the Issue Price and finalization of the section titled “**Issue Procedure - Basis of Allocation**” beginning on page 259 of this Draft Red Herring Prospectus.

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

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

Capital Structure

Our share capital as on the date of filing of this Draft Red Herring Prospectus is set forth below.

(Rs. in Million except share data)

Particulars	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital^(a)		
144,000,000 Equity Shares	1,440	[●]
B. Issued, Subscribed and Paid-Up Capital before the Issue		
115,440,693 Equity Shares	1,154.40	[●]
C. Present Issue in terms of this Draft Red Herring Prospectus^(b)		
Issue of: [●] Equity Shares	[●]	[●]
Comprising:		
Fresh Issue of [●] Equity Shares	[●]	[●]
Offer for Sale of 3,166,498 Equity Shares ^(c)	31.66	[●]
D. Issue to the Public		
[●] Equity Shares	[●]	[●]
Of Which:		
QIB Portion of at least [●] Equity Shares ^(d)	[●]	[●]
Mutual Fund Portion of at least [●] Equity Shares ^(d)	[●]	[●]
Non-Institutional Portion of up to [●] Equity Shares ^(e)	[●]	[●]
Retail Portion of up to [●] Equity Shares ^(e)	[●]	[●]
E. Equity Capital after the Issue		
[●] Equity Shares	[●]	[●]
F. Share Premium Account		
Before the Issue	2,495.84	[●]
After the Issue*	[●]	[●]

* The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.

^(a) The present authorised share capital of our Company is Rs. 1,440,000,000 divided into 144,000,000 Equity Shares.

^(b) The Issue has been authorised by a resolution of our Board dated December 22, 2009 and special resolution passed pursuant to section 81(1A) of the Companies Act at the extra ordinary general meeting of the shareholders of our Company held on December 23, 2009.

^(c) The Selling Shareholder has authorised transfer of 3,166,498 Equity Shares towards the Offer for Sale pursuant to a circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of its Trustee, IL&FS Trust Company Limited.

The Selling Shareholder is offering upto 3,166,498 Equity Shares, which have been held for a period of at least 1 year as on the date of filing of this Draft Red Herring Prospectus with SEBI, hence are eligible for being offered for sale.

Approval of the RBI shall be sought by the Selling Shareholder in compliance with the applicable foreign exchange control norms for the transfer of Equity Shares forming part of the Offer for Sale in this Issue.

^(d) 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids. Further, attention of all QIBs bidding under the Net QIB Portion is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund is required to deposit a Margin Amount of at least 10% with its Bid cum Application Form. In the event of under-subscription in the Mutual Fund Portion, the unsubscribed portion would be added to the balance of the Net QIB Portion for allocation on a proportionate basis to the QIBs bidding in the Net QIB Portion.

^(e) Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager.

Changes in the Authorised Capital

1. The initial authorised share capital was Rs. 5,000,000 divided into 5,000 equity shares of Rs. 100 each. The shares were sub-divided from Rs. 100 to Rs. 10 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on December 15, 2004.
2. The authorised share capital was further increased from Rs. 5,000,000 to Rs. 200,000,000 by creation of 2,700,000 Equity Shares, 1,600,000 preference shares of Rs. 100 each and 800,000 unclassified shares of Rs. 10 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on December 23, 2004.
3. The authorised share capital was further increased from Rs. 200,000,000 to Rs. 300,000,000 by creation of 1,000,000 Equity Shares and 900,000 preference shares of Rs. 100 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on April 6, 2005.
4. The authorised share capital was further increased from Rs. 300,000,000 to Rs. 360,000,000 by creation of 1,000,000 Equity Shares and 500,000 preference shares of Rs. 100 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on May 19, 2005.
5. Reclassification of equity and preference share capital from Rs. 360,000,000 divided into 60,000,000 Equity Shares and 30,000,000 preference shares of Rs. 100 each to Rs. 360,000,000 divided into 15,015,000 Equity Shares and 2,098,500 preference shares of Rs.100 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on March 29, 2008.
6. The authorised share capital was further increased from Rs. 360,000,000 to Rs. 400,000,000 by creation of 15,658,275 Equity Shares of Rs.102,098,500 zero% fully convertible preference shares of Rs.100 and 3,356,725, 0.0001% compulsorily convertible preference shares of Rs. 10 each pursuant to resolution passed at the extra ordinary general meeting held on April 15, 2008.
7. Reclassification of 2,098,500, Zero% fully convertible preference shares of Rs. 100 each reclassified as 20,985,000 Equity Shares making authorised equity share capital as 36,643,275 Equity Shares, (total authorised capital remaining unchanged) pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on August 20, 2009.
8. The authorised share capital was further increased from Rs. 400,000,000 to Rs. 1,400,000,000 divided into 136,643,275 Equity Shares and 3,356,725 - 0.0001% compulsorily convertible preference shares of Rs. 10 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on October 14, 2009.
9. The authorised share capital was further increased from Rs. 1,400,000,000 to Rs. 1,440,000,000 divided into 140,643,275 Equity Shares and 3,356,725 - 0.0001% compulsorily convertible preference shares of Rs. 10 each pursuant to resolution passed at the extra ordinary general meeting of the shareholders of the Company held on December 2, 2009
10. Reclassification of 3,356,725 - 0.0001% compulsorily convertible preference shares of Rs. 10 each as 3,356,725 Equity Shares pursuant to the resolution passed at the extra ordinary general meeting of the shareholders of the Company held on December 18, 2009. The Company is in the process of filing the requisite forms with the RoC.

Notes to the Capital Structure

1. Share Capital History of our Company:

(a) Equity Share Capital

The following is the history of the Equity Share Capital of our Company:

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, gift, transfer, bonus etc)	Face value (In Rs.)	Issue price (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of equity shares	Cumulative equity share capital (In Rs.)
July 15, 2004	Nayan Bheda	400	Initial Subscription	100	100	Cash	-	400	40,000
July 15, 2004	Sachin Deshmukh,	300	Initial Subscription	100	100	Cash	-	700	70,000
July 15, 2004	Maresh Shetty	300	Initial Subscription	100	100	Cash	-	1,000	100,000
December 15, 2004	Nayan Bheda	4,000	Sub division of shares	10	-	Sub division of shares	-	10,000	1,00,000
December 15, 2004	Sachin Deshmukh	3,000	Sub division of shares	10	-	Sub division of shares	-		
December 15, 2004	Maresh Shetty	3,000	Sub division of shares	10	-	Sub division of shares	-		
April 30, 2005	Nayan Bheda	746,000	Preferential Allotment	10	10	Cash	-	756,000	7,560,000
April 30, 2005	Sachin Deshmukh	747,000	Preferential Allotment	10	10	Cash	-	1,503,000	15,030,000
April 30, 2005	Maresh Shetty	747,000	Preferential Allotment	10	10	Cash	-	2,250,000	22,500,000
May 31, 2005	Nayan Bheda	250,000	Preferential Allotment	10	10	Cash	-	2,500,000	25,000,000
May 31, 2005	Sachin Deshmukh,	250,000	Preferential Allotment	10	10	Cash	-	2,750,000	27,500,000
May 31, 2005	Maresh Shetty	2,50,000	Preferential Allotment	10	10	Cash	-	3,000,000	30,000,000
June 30, 2005	NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)*	660,000	Preferential Allotment	10	100	Cash	59,400,000	3,660,000	36,600,000
March 29, 2008	Nayan Bheda **	4,070,000	Conversion from 0% fully convertible preference shares of Rs. 100 each into Equity Shares	10	10	Cash	59,400,000	7,730,000	77,300,000

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, gift, bonus etc)	Face value (In Rs.)	Issue price (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of equity shares	Cumulat ive equity share capital (In Rs.)
			of Rs. 10 each**						
March 29, 2008	Sachin Deshmukh**	3,436,250	Conversion from 0% fully convertible preference shares of Rs. 100 each into Equity Shares of Rs. 10 each**	10	10	Cash	59,400,000	11,166,250	111,662, 500
March 29, 2008	Nayan Shah**	1,508,750	Conversion from 0% fully convertible preference shares of Rs. 100 each into Equity Shares of Rs. 10 each**	10	10	Cash	59,400,000	12,675,000	126,750, 000
May 9, 2008	IndiaREIT Enterprise Holdings Ltd***	1,313,763	Preferential Allotment	10	100	Cash	177,638,670	13,988,763	139,887, 630
May 9, 2008	IndiaREIT Enterprise Holdings Ltd***						1,224,889,700 (1)		
May 9, 2008	IL&FS Trust Company Ltd trustee to IndiaREIT Fund- Scheme III***	4,12,675	Preferential Allotment	10	100	Cash	1,262,030,4502 (2)	14,401,438	144,014, 380
May 9, 2008	IL&FS Trust Company Ltd trustee to IndiaREIT Fund- Scheme III***						1,590,989,500 (3)		
June 26, 2008	IndiaREIT Enterprise Holdings Ltd****	336,935	Preferential Allotment	10	100	Cash	1,621,313,650	14,738,373	147,383, 730
June 26, 2008	IndiaREIT Enterprise Holdings Ltd****						1,889,898,820 (note 3)		
September 26, 2009	Aditya Anam	250	Preferential Allotment	10	1,000	Cash	1,889,898,820	14,738,623	14,73,86, 230
September 26, 2009	Balbir Dhanwani	10,000	Preferential Allotment	10	1,000	Cash	1,900,046,320	147,486,23	147,486, 230
September 26, 2009	Balbir Dhanwani NRO	1,000	Preferential Allotment	10	1,000	Cash	1,901,036,320	147,496,23	147,496, 230
September 26, 2009	Chamanlal Ratilal Sanghavi	500	Preferential Allotment	10	1,000	Cash	1,901,531,320	14750,123	147,501, 230

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face value (In Rs.)	Issue price (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of equity shares	Cumulat ive equity share capital (In Rs.)
September 26, 2009	Chandan Sidhwani	1,500	Preferential Allotment	10	1,000	Cash	1,903,016,320	14,751,623	147,516, 230
September 26, 2009	Chunilal Devchand Sanghavi	500	Preferential Allotment	10	1,000	Cash	1,903,511,320	14,752,123	147,521, 230
September 26, 2009	Davesh Vora	500	Preferential Allotment	10	1,000	Cash	1,904,006,320	14,752,623	147,526, 230
September 26, 2009	Deepa Mani	500	Preferential Allotment	10	1,000	Cash	1,904,501,320	14,753,123	147,531, 230
September 26, 2009	Geeta A. Anam	250	Preferential Allotment	10	1,000	Cash	1,904,748,820	14,753,373	147,533, 730
September 26, 2009	Heena Yogesh Chheda	1,000	Preferential Allotment	10	1,000	Cash	1,905,738,820	14,754,373	147,543, 730
September 26, 2009	Honey N. Shah	300	Preferential Allotment	10	1,000	Cash	1,906,035,820	14,754,673	147,546, 730
September 26, 2009	Jitesh Chamnal Sanghvi	500	Preferential Allotment	10	1,000	Cash	1,906,530,820	14,755,173	147,551, 730
September 26, 2009	Kaushal A. Gandhi	1,000	Preferential Allotment	10	1,000	Cash	1,907,520,820	14,756,173	147,561, 730
September 26, 2009	Kunverji Nanji Kenia	2,500	Preferential Allotment	10	1,000	Cash	1,909,995,820	14,758,673	147,586, 730
September 26, 2009	Manjari S. Kapadia	4,000	Preferential Allotment	10	1,000	Cash	1,913,955,820	14,762,673	147,626, 730
September 26, 2009	Mansi A. Gandhi	500	Preferential Allotment	10	1,000	Cash	1,914,450,820	14,763,173	147,631, 730
September 26, 2009	Nimesh P. Gala	2,000	Preferential Allotment	10	1,000	Cash	1,916,430,820	14,765,173	147,651, 730

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face value (In Rs.)	Issue price (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of equity shares	Cumulat ive equity share capital (In Rs.)
September 26, 2009	Nimish P. Kenia	2,000	Preferential Allotment	10	1,000	Cash	1,918,410,820	14,767,173	147,671, 730
September 26, 2009	Pradeep N. Shah	2,500	Preferential Allotment	10	1,000	Cash	1,920,885,820	14,769,673	147,696, 730
September 26, 2009	Radha Dhanwani	13,000	Preferential Allotment	10	1,000	Cash	1,933,755,820	14,782,673	147,826, 730
September 26, 2009	Rupali Prashant Patel	1,000	Preferential Allotment	10	1,000	Cash	1,934,745,820	14,783,673	147,836, 730
September 26, 2009	Rupa Pradeep Shah	10,000	Preferential Allotment	10	1,000	Cash	1,944,645,820	14,793,673	14,793,6 730
September 26, 2009	Shilpa Hemant Kenia	2,000	Preferential Allotment	10	1,000	Cash	1,946,625,820	14,795,673	147,956, 730
September 26, 2009	Sushil T. Kapadia	6,600	Preferential Allotment	10	1,000	Cash	1,953,159,820	14,802,273	148,022, 730
September 26, 2009	Vipul K. Shah	500	Preferential Allotment	10	1,000	Cash	1,953,654,820	14,802,773	148,027, 730
December 1, 2009	All existing shareholders^	88,816,638	Bonus Issue	10	-	Bonus	1,065,488,440	103,619,411	1,036,19 4,110
December 2, 2009	Alpex International Limited#	8,080,849	Preferential Allotment	10	162.73	Cash	2,299,676,507. 77	111,700,260	1,117,00 2,600
December 18, 2009	IndiaREIT Enterprise Holdings Ltd	1,111,093	Conversion of 0.0001% compulsorily convertible preference shares of Rs. 10 each into	10	24.17	Cash	2,315,420,695	112,811,353	1,128,11 3,530

Date of issue/ allotment	Name of the allottee	No. of Equity Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face value (In Rs.)	Issue price (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of equity shares	Cumulat ive equity share capital (In Rs.)
December 18, 2009	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III####	277,773	Equity Shares##	10	24.17	Cash	2,319,356,738. 99	113,089,126	1,130,89 1,260
December 19, 2009	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III####	2,351,567	Preferential Allotment	10	85.05	Cash	2,495,841,842. 34	115,440,693	1,154,40 6,930

*660,000 Equity Shares of Rs.10 each were allotted to NMS Holdings Private Limited before it assumed the status of Promoter of the Company. For the details of the NMS Holdings Private Limited see section titled “Promoters and Group Companies” beginning on page 155 of the Draft Red Herring Prospectus.

**9,015,000 Equity Shares of Rs.10 each were allotted to Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Nayan Shah on March 29, 2008 pursuant to conversion of 901,500 Zero% fully convertible preference shares of Rs. 100 each. For further details, see section titled “Capital Structure - Preference Share Capital” beginning on page 34 of the Draft Red Herring Prospectus.

***Allotment of 1,313,763 to IndiaREIT Enterprise Holdings Ltd and 412,675 to IL&FS Trust Company Ltd pursuant to Share Subscription cum Shareholders’ Agreement dated April 15, 2008 entered between the Company, IndiaREIT Enterprise Holdings Limited and IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III. For the details of the Share Subscription cum Shareholders’ Agreement amended by Amendment Agreement dated December 18, 2009 see section titled “History and Certain Corporate Matters” beginning on page 109 of the Draft Red Herring Prospectus.

****Allotment of 336,935 to IndiaREIT Enterprise Holdings Ltd pursuant to Share Subscription cum Shareholders’ Agreement dated April 15, 2008 entered between the Company, IndiaREIT Enterprise Holdings Limited and IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III. For the details of the Share Subscription cum Shareholders’ Agreement amended by Amendment Agreement dated December 18, 2009 see section titled “History and Certain Corporate Matters” beginning on page 109 of the Draft Red Herring Prospectus.

^The issuance of bonus Equity Shares was made to such members of the Company as appearing in the register of members as on November 30, 2009. The issuance of bonus Equity Shares was made in the ratio of 1:6.

Issued pursuant to the resolution passed at the extra ordinary general meeting held on December 2, 2009.

Issued pursuant to the resolution passed at the extra ordinary general meeting held on December 18, 2009.

Issued pursuant to the resolution passed at the extra ordinary general meeting held on December 18, 2009.

¹ Share premium of Rs. 1,047,251,030 on issue of 2,137,247 compulsorily convertible preference shares of Rs. 10 each at a premium of Rs. 490 per share has been added to cumulative share premium of Rs. 177,638,670.

² Share premium of Rs. 328,959,050 on issue of 671,345 compulsorily convertible preference shares of Rs. 10 each at a premium of Rs. 490 per share has been added to cumulative share premium of Rs. 1,262,030,450.

³ Share premium of Rs. 268,585,170 on issue of 5,548,133 compulsorily convertible preference shares of Rs. 10 each at a premium of Rs. 490 per share has been added to cumulative share premium of Rs. 1,621,313,650.

(b) Preference Share Capital

i. The following is the history of the Zero % fully convertible preference share capital of our Company:

Date of issue/ allotment	Name of the allottee	No. of preference shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face Value (In Rs.)	Issue price per share (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative No. of preference shares	Cumulative preference share capital (In Rs.)
March 20, 2005	Bhavana Investments Private Limited	158,000	Preferential Allotment	100	100	Cash	-	158,000	15,800,000
March 20, 2005	Dhanvidya Impex Private Limited	172,500	Preferential Allotment	100	100	Cash	-	330,500	33,050,000

Date of issue/ allotment	Name of the allottee	No. of preference shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face Value (In Rs.)	Issue price per share (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative No. of preference shares	Cumulative preference share capital (In Rs.)
March 20, 2005	Dhanvidya Multisales Private Limited	1,85,500	Preferential Allotment	100	100	Cash	-	516,000	51,600,000
March 20, 2005	Prabhavi Investment Private Limited	1,54,000	Preferential Allotment	100	100	Cash	-	670,000	67,000,000
March 31, 2005	Bhavana Investments Private Limited	45,500	Preferential Allotment	100	100	Cash	-	715,500	71,550,000
March 31, 2005	Dhanvidya Impex Private Limited	35,500	Preferential Allotment	100	100	Cash	-	751,000	75,100,000
March 31, 2005	Dhanvidya Multisales Private Limited	33,500	Preferential Allotment	100	100	Cash	-	784,500	78,450,000
March 31, 2005	Prabhavi Investment Private Limited	45,500	Preferential Allotment	100	100	Cash	-	830,000	83,000,000
April 30, 2005	Magic Touch Infotech Ltd	1,71,000	Preferential Allotment	100	100	Cash	-	1,001,000	10,01,00,000
April 30, 2005	Magic Touch Securities Private Limited	5,000	Preferential Allotment	100	100	Cash	-	10,06,000	100,6,00,000
April 30, 2005	Prabhavi Investment Private Limited	50,500	Preferential Allotment	100	100	Cash	-	1,056,500	105,650,000
April 30, 2005	Shri Krishna Holiday Homes and Farms Ltd	1,41,000	Preferential Allotment	100	100	Cash	-	1,197,500	119,750,000
April 30, 2005	Shri Krishna Infrastructure Ltd	1,73,000	Preferential Allotment	100	100	Cash	-	1,370,500	137,050,000
April 30, 2005	Bhavana Investments Private Limited	44,500	Preferential Allotment	100	100	Cash	-	1,415,000	14,15,00,000
April 30, 2005	Dhanvidya Impex Private Limited	42,000	Preferential Allotment	100	100	Cash	-	1,457,000	145,700,000
April 30, 2005	Dhanvidya Multisales Private Limited	33,000	Preferential Allotment	100	100	Cash	-	1,490,000	1,490,00,000
May 31, 2005	Bhavana Investments Private Ltd	93,000	Preferential Allotment	100	100	Cash	-	1,583,000	158,300,000
May 31, 2005	Dhanvidya Impex Private Limited	93,000	Preferential Allotment	100	100	Cash	-	1,676,000	167,600,000
May 31, 2005	Dhanvidya Multisales Private Limited	82,000	Preferential Allotment	100	100	Cash	-	1,758,000	175,800,000
May 31, 2005	Prabhavi Investment Private Limited	85,000	Preferential Allotment	100	100	Cash	-	1,843,000	184,300,000

Date of issue/ allotment	Name of the allottee	No. of preference shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face Value (In Rs.)	Issue price per share (In Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative No. of preference shares	Cumulative preference share capital (In Rs.)
May 31, 2005	Magic Touch Infotech Ltd	129,000	Preferential Allotment	100	100	Cash	-	1,972,000	197,200,000
May 31, 2005	Magic Touch Securities Private Limited	295,000	Preferential Allotment	100	100	Cash	-	2,267,000	226,700,000
May 31, 2005	Shri Krishna Holiday Homes and Farms Ltd	1,60,000	Preferential Allotment	100	100	Cash	-	2,427,000	242,700,000
May 31, 2005	Shri Krishna Infrastructure Ltd	1,26,000	Preferential Allotment	100	100	Cash	-	2,553,000	255,300,000
May 31, 2005	Fine Diamonds Industries Ltd	1,00,000	Preferential Allotment	100	100	Cash	-	2,653,000	265,300,000
May 31, 2005	Alka Diamonds Private Limited	1,00,000	Preferential Allotment	100	100	Cash	-	2,753,000	275,300,000
May 31, 2005	Pet Plastics Ltd.	100,000	Preferential Allotment	100	100	Cash	-	2,853,000	285,300,000
June 30, 2005	Bhavana Investments Private Limited	34,000	Preferential Allotment	100	100	Cash	-	2,887,000	288,700,000
June 30, 2005	Dhanvidya Impex Private Limited	32,000	Preferential Allotment	100	100	Cash	-	2,919,000	291,900,000
June 30, 2005	Dhanvidya Multisales Private Limited	41,000	Preferential Allotment	100	100	Cash	-	2,960,000	296,000,000
June 30, 2005	Prabhavi Investment Private Limited	40,000	Preferential Allotment	100	100	Cash	-	3,000,000	300,000,000

Notes

- Out of the total 3,000,000 Zero% fully convertible preference shares of Rs. 100 each as issued above:
 - 789,000 Zero% fully convertible preference shares of Rs. 100 each were transferred to Mr. Nayan Bheda and 711,000 Zero% fully convertible preference shares of Rs. 100 each were transferred to Mr. Sachin Deshmukh on March 16, 2007; 885,000 Zero% fully convertible preference shares of Rs. 100 each were transferred to Mr. Nayan Bheda and 6,15,000 Zero% fully convertible preference shares of Rs. 100 each were transferred to Mr. Sachin Deshmukh on August 14, 2007; and
 - Further, 44,500 and 106,375 Zero% fully convertible preference shares of Rs. 100 each were transferred by Mr. Nayan Bheda and M. Sachin Deshmukh to Mr. Nayan Shah on March 28, 2008 respectively.
- Also, 901,500 Zero% fully convertible preference shares of Rs. 100 each as held by Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Nayan Shah were converted into Equity Shares of Rs. 10 each on March 29, 2008.

3. 2,098,500 Zero% fully convertible preference shares of Rs. 100 each amounting to Rs. 209,850,000 were redeemed pursuant to a special resolution passed at the extra ordinary general meeting of the Company held on August 20, 2009 and after obtaining individual consents of the holders of the Zero% fully convertible preference shares of Rs. 100 each for change in terms of preference shares.

ii. The following is the history of the compulsorily convertible preference share capital of our Company:

Date of Issue/ Allotment	Name of the allottee	No. of Preference Shares	Mode of acquisition (preferential allotment, transfer, gift, bonus etc)	Face Value	Issue price per share (Rs.)	Consideration in cash/ other than cash	Cumulative share premium (Rs.)	Cumulative no. of preference shares	Cumulative preference share capital (Rs.)
May 9, 2008	IndiaREIT Enterprise Holdings Ltd [^]	21,37,247	Preferential Allotment	10	500	Cash	1,047,251,030	21,377,247	21,372,470
May 9, 2008	IL&FS Trust Company Ltd trustee to IndiaREIT Fund - Scheme III. [^]	671,345	Preferential Allotment	10	500	Cash	1,376,210,080	2,808,592	28,085,920
June 26, 2008	IndiaREIT Enterprise Holdings Ltd [^]	548,133	Preferential Allotment	10	500	Cash	1,644,795,250	3,356,725	33,567,250

[^]3,356,725 compulsorily convertible preference shares of Rs. 10 each were converted into Equity Shares of Rs. 10 each pursuant to a special resolution passed at the extra ordinary general meeting of the Company held on December 18, 2009

2. Promoters and Promoter Group Build up, Contribution and Lock-in

Our Company has 6 individual Promoters, namely Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Nayan Shah, Mr. Mahesh Shetty, Mr. Chetan Bheda, Mr. Animesh Dharamsi and 1 corporate Promoter - NMS Holdings Private Limited.

a. History of the Equity Share Capital held by the Promoters

Name of the Promoters	Date on which Equity Shares were allotted/ transferred/ or when the Equity Shares were fully paid-up	Number of Equity Shares	Face Value per Equity Share (In Rs.)	Issue Price/ Transfer price per Equity Share (In Rs.)	Nature of Consideration (in cash/other than cash)	Mode of Acquisition (allotment/ transfer)
Mr. Nayan Bheda	July 15, 2004	400	100	100	Cash	Initial Subscription
	December 15, 2004	4,000	10	10	-	Subdivision of shares
	April 30, 2005	746,000	10	10	Cash	Preferential Allotment
	May 31, 2005	250,000	10	10	Cash	Preferential Allotment
	March 29, 2008	4,070,000	10	10	Cash	Conversion from Zero % fully convertible preference shares of Rs. 100 each to equity shares of Rs. 10
	September 17, 2009	2,470,000	10	10	Cash	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
	December 1, 2009	15,600,000	10	-	Bonus	Bonus issue in the ratio of

Name of the Promoters	Date on which Equity Shares were allotted/ transferred/ or when the Equity Shares were fully paid-up	Number of Equity Shares	Face Value per Equity Share (In Rs.)	Issue Price/ Transfer price per Equity Share (In Rs.)	Nature of Consideration (in cash/other than cash)	Mode of Acquisition (allotment/ transfer)
						1:6
Sub-total	-	18,200,000	-	-	-	-
Mr. Sachin Deshmukh	July 15, 2004	300	100	100	Cash	Initial Subscription
	December 15, 2004	3,000	10	10	-	Subdivision of shares
	April 30, 2005	747,000	10	10	Cash	Preferential Allotment
	May 31, 2005	250,000	10	10	Cash	Preferential Allotment
	March 29, 2008	3,436,250	10	10	Cash	Conversion from Zero % fully convertible preference shares of Rs. 100 each to equity shares of Rs. 10
	September 17, 2009	1,936,250	10	10	Cash	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
	December 1, 2009	15,000,000	10	-	Bonus	Bonus issue in the ratio of 1:6
Sub-total	-	17,500,000	-	-	-	-
Mr. Mahesh Shetty	July 15, 2004	300	100	100	Cash	Initial Subscription
	December 15, 2004	3,000	10	10	-	Subdivision of shares
	April 30, 2005	747,000	10	10	Cash	Preferential Allotment
	May 31, 2005	250,000	10	10	Cash	Preferential Allotment
	December 1, 2009	6,000,000	10	-	Bonus	Bonus issue in the ratio of 1:6
	December 21, 2009	364,371	10	10	Cash	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
Sub-total	-	6,635,269	-	-	-	-
Mr. Nayan Shah	August 14, 2007	660,000	10	100	Cash	Transfer from NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
	March 29, 2008	1,508,750	10	10	Cash	Conversion from Zero % fully convertible preference shares of Rs. 100 each to equity shares of Rs. 10
	September 17, 2009	1,168,750	10	10	Cash	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
	December 1, 2009	6,000,000	10	-	Bonus	Bonus issue in the ratio of 1:6
Sub-total	-	7,000,000	-	-	-	-
NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)	June 30, 2005	660,000	10	100	Cash	Preferential Allotment
	August 14, 2007	660,000	10	100	Cash	Transfer to Mr. Nayan Shah
	September 17, 2009	2,470,000	10	10	Cash	Transfer from Mr. Nayan Bheda
	September 17, 2009	1,936,250	10	10	Cash	Transfer from Mr. Sachin Deshmukh
	September 17, 2009	1,168,750	10	10	Cash	Transfer from Mr. Nayan Shah

Name of the Promoters	Date on which Equity Shares were allotted/ transferred/ or when the Equity Shares were fully paid-up	Number of Equity Shares	Face Value per Equity Share (In Rs.)	Issue Price/ Transfer price per Equity Share (In Rs.)	Nature of Consideration (in cash/other than cash)	Mode of Acquisition (allotment/ transfer)
	November 23, 2009	100,000	10	10	Cash	Transfer to Mr. Chetan Bheda
	November 23, 2009	100,000	10	10	Cash	Transfer to Mr. Animesh Dharamsi
	December 1, 2009	32,250,000	10	-	Bonus	Bonus issue in the ratio of 1:6
	December 12, 2009	98,700	10	10	Cash	Transfer to Mr. Jayesh B. Jain
	December 12, 2009	50,400	10	10	Cash	Transfer to Ms. Heena J. Jain
	December 12, 2009	25,200	10	10	Cash	Transfer to Mr. Pragnesh B. Jain
	December 12, 2009	25,200	10	10	Cash	Transfer to Ms. Heena B. Jain
	December 12, 2009	50,400	10	10	Cash	Transfer to Mr. Lokesh B. Jain
	December 21, 2009	364,371	10	10	Cash	Transfer from Mr. Mahesh Shetty
	December 22, 2009	575,000	10	10	Cash	Transfer to Mr. Imran Rahim Sunesara
	December 22, 2009	300,000	10	10	Cash	Transfer to Mr. Anjum Imran Sunesara
	December 22, 2009	375,000	10	10	Cash	Transfer to Univision Realty Pvt Ltd
Sub-total	-	36,489,471	-	-	-	-
Mr. Chetan Bheda	November 23, 2009	100,000	10	10	Cash	Transfer from NMS Holdings Private Limited
	December 1, 2009	600,000	10	-	Bonus	Bonus issue in the ratio of 1:6
Sub-total	-	700,000	-	-	-	-
Mr. Animesh Dharamsi	November 23, 2009	100,000	10	10	Cash	Transfer from NMS Holdings Private Limited
	December 1, 2009	600,000	10	-	Bonus	Bonus issue in the ratio of 1:6
Sub-total	-	700,000	-	-	-	-

b. Details of Equity Shares pledged by the Promoters

Name of the Promoters	Total no. of Equity Shares held	No. of Equity Shares pledged	Percentage of Equity Shares Pledged (In %)	Balance no. of Equity Shares free from pledge	Percentage of Equity Shares free from pledge (In %)
Mr. Nayan Bheda	18,200,000	1,000,000	5.49	17,200,000	94.51

Mr. Sachin Deshmukh	17,500,000	1,000,000	5.71	16,500,000	94.29
Mr. Mahesh Shetty	6,635,629	1,000,000	15.07	5,635,629	84.93

c. History of the Equity Share Capital held by the Promoter Group

None of the Promoter Group entities hold any Equity Shares of the Company since incorporation till the date of filing of this Draft Red Herring Prospectus.

d. Details of shareholding of the directors of NMS Holdings Private Limited

Mr. Nayan Bheda and Mr. Sachin Deshmukh are directors of NMS Holdings Private Limited, our corporate Promoter. They hold Equity Shares in the Company. The details of their aggregate shareholding in the Company as on the date of filing this Draft Red Herring Prospectus are as follows:

Sr. No	Name of the directors	No of shares
1.	Mr. Nayan Bheda	648,073
2.	Mr. Sachin Deshmukh	412,154
	Total	1,060,227

For further details of their shareholding see section titled “**Capital Structure – History of Equity Share Capital of the Promoters**” beginning on page 37 of this Draft Red Herring Prospectus.

3. Summary of Promoters’ Contribution locked-in for three years

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

- Details of the Promoters’ Contribution are as follows:

S. No.	Name of the Promoters	Date of Allotment/ Transfer/ when made fully paid-up	Nature of Consideration	Number of Equity Shares locked in*	Face Value (Rs.) (per share)	% of post-Issue paid-up capital
1.	Mr. Nayan Bheda	December 15, 2004	Subdivision of shares	4,000	10	[●]
		April 30, 2005	Cash	746,000	10	[●]
		May 31, 2005	Cash	250,000	10	[●]
		March 29, 2008	Cash	1,600,000	10	[●]
		December 1, 2009	Consideration other than cash	8,600,000	10	[●]
				11,200,000		
2.	Mr. Sachin Deshmukh	December 15, 2004	Subdivision of shares	3,000	10	[●]
		April 30, 2005	Cash	747,000	10	[●]
		May 31, 2005	Cash	250,000	10	[●]
		March 29, 2008	Cash	1,500,000	10	[●]
		December 1, 2009	Consideration other than cash	8,000,000	10	[●]
				10,500,000		
3.	Mr. Nayan Shah	March 29, 2008	Cash	1,000,000	10	[●]
		December 1, 2009	Consideration other than cash	6,000,000	10	[●]
				7,000,000		
	TOTAL	-	-	28,700,000	-	[●]

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

Our Promoters have, by a written undertaking dated [●], given consent for [●] Equity Shares held by them to be considered as Promoters' contribution and locked-in for a period of three years from the date of Allotment of the Public Issue, constituting 20% of the post-Issue equity share capital of our Company ("**Promoters' Contribution**").

The Promoters have pursuant to their undertaking dated [●], agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters in the section titled "**Promoters and Group Companies**" beginning on page 155 of this Draft Red Herring Prospectus as per SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- i. The Equity Shares offered for minimum 20% Promoters' Contribution are not acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or reserves created without accrual of cash resources or against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;
- ii. The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- iii. Our Company has not been formed by the conversion of a partnership firm into a company;
- iv. The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge;
- v. The minimum Promoters' contribution does not consist of any private placement made by solicitation of subscriptions from unrelated persons either directly or through any intermediary; and
- vi. The minimum Promoters' Contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.

Written consent dated [●] has been obtained from our Promoters whose securities have been included as part of Promoters' contribution subject to lock-in and that these securities will not be disposed/sold/transferred by the Promoters during the period starting from the date of filing the Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

- **Details of capital locked in for one year**

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue share capital less the number of Equity Shares for which transfer shall be made under the Offer for Sale by the Selling Shareholder, shall be locked in for a period of one year from the date of Allotment in this Issue. The remaining Equity Shares held by the Selling Shareholder, who is registered as a VCF bearing registration number IN/VCF/05-06/070 *vide* certificate of registration dated October 17, 2005, i.e. 2,351,567 Equity Shares, which have been held for less than one year by the Selling Shareholder, shall be locked in for one year from the date of Allotment in this Issue.

- **Other requirements in respect of lock-in**

As per Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters may be pledged with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided the pledge of such shares is one of the terms of sanction of loan and the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the Objects of the Issue as mentioned in the section "**Objects of the Issue**" beginning on page 47.

The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked-in for a period one year from the date of Allotment as mentioned above may be transferred to any other person holding the Equity Shares which are similarly locked-in for one year, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Further, Equity Shares held by the Promoters, which are locked-in as per the Regulation 40 of the SEBI ICDR Regulations, may be transferred to and amongst the Promoters/Promoter Group or to a new Promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Furthermore, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI ICDR Regulations, including the provisions for lock-in, as amended from time to time.

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.

• Details of transactions in Equity Shares by the Directors, Promoters and Promoter Group entities during six months preceding the filing of this Draft Red Herring Prospectus with SEBI

Sr. No.	Name of the Directors, Promoters and Promoter Group entities	Date of transaction	No. of Equity Shares	Total Consideration (Rs.)	Nature of Transaction
1.	Mr. Nayan Bheda	September 17, 2009	2,470,000	24,700,000	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
		December 1, 2009	15,600,000	-	Bonus Issue
2.	Mr. Sachin Deshmukh	September 17, 2009	1,936,250	19,362,500	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
		December 1, 2009	15,000,000	-	Bonus Issue
3.	Mr. Mahesh Shetty	December 1, 2009	6,000,000	-	Bonus Issue
		December 21, 2009	364,371	3,643,710	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
4.	Mr. Nayan Shah	September 17, 2009	1,168,750	11,687,500	Transfer to NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
		December 1, 2009	6,000,000	-	Bonus Issue
5.	NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)	September 17, 2009	2,470,000	24,700,000	Transfer from Mr. Nayan Bheda
			1,936,250	19,362,500	Transfer from Mr. Sachin Deshmukh
			1,168,750	11,687,500	Transfer from Mr. Nayan Shah
		November 23, 2009	100,000	1,000,000	Transfer to Mr. Chetan Bheda
		November 23, 2009	100,000	1,000,000	Transfer to Mr. Animesh Dharamsi
		December 1, 2009	32,250,000	-	Bonus Issue
		December 12, 2009	98,700	987,000	Transfer to Mr. Jayesh B. Jain
		December 12, 2009	50,400	504,000	Transfer to Ms. Heena J. Jain
		December 12, 2009	25,200	252,000	Transfer to Mr. Pragnesh B. Jain
		December 12, 2009	25,200	252,000	Transfer to Ms. Heena B. Jain
		December 12, 2009	50,400	504,000	Transfer to Mr. Lokesh B. Jain
		December 21, 2009	364,371	3,643,710	Transfer from Mr. Mahesh Shetty
		December 22, 2009	575,000	5,750,000	Transfer to Mr. Imran Rahim Sunesara

Sr. No.	Name of the Directors, Promoters and Promoter Group entities	Date of transaction	No. of Equity Shares	Total Consideration (Rs.)	Nature of Transaction
		December 22, 2009	300,000	3,000,000	Transfer to Ms. Anjum Imran Sunesara
		December 22, 2009	375,000	3,750,000	Transfer to Univision Realty Pvt Ltd
6.	Mr. Chetan Bheda	November 23, 2009	100,000	1,000,000	Transfer from NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
		December 1, 2009	600,000	-	Bonus Issue
7.	Mr. Animesh Dharamsi	November 23, 2009	100,000	1,000,000	Transfer from NMS Holdings Private Limited (formerly known as Thakkar Capital Services Private Limited)
		December 1, 2009	600,000	-	Bonus Issue

4. Our Promoters, our Selling Shareholder, our Company, our Directors and the BRLM have not entered into any buy-back , safety net and/or standby arrangements or any other similar arrangement for purchase of Equity Shares being offered in this Issue.
5. An over-subscription to the extent of 10% of the net offer to public can be retained for the purposes of rounding off to the minimum allotment lot and further to the nearest multiple of market lot.
6. The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.
7. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
8. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Retail Portion or the Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange. Such inter-se spill-over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
9. **Shareholding Pattern of our Company**

The shareholding pattern of our Company before and after the Issue is as follows:

Name of Shareholder	Pre-Issue		Post- Issue	
	Number of Equity Shares	Shareholding (%)	Number of Equity Shares	Shareholding (%)
Promoters holding				
Nayan Bheda	18,200,000	15.77	18,200,000	[●]
Sachin Deshmukh	17,500,000	15.16	17,500,000	[●]
Mahesh Shetty	6,635,629	5.75	6,635,629	[●]
Nayan Shah	7,000,000	6.06	7,000,000	[●]
Chetan Bheda	700,000	0.61	700,000	[●]
Animesh Dharamsi	700,000	0.61	700,000	[●]
NMS Holdings Pvt Ltd (Thakkar Capital Services Pvt Ltd)	36,489,471	31.61	36,489,471	[●]

Non promoter holding				
IndiaREIT Enterprise Holdings Limited	12665979	10.97	[●]	[●]
IL&FS Trust Company Limited, in the capacity of being the trustee to IndiaREIT Fund- Scheme III	5,518,065	4.78	[●]	[●]
Alpex International Limited	8,080,849	7.00	[●]	[●]
Aditya Anam	1,750	0.00	[●]	[●]
Balbir Dhanwani	70,000	0.06	[●]	[●]
Balbir Dhanwani NRO	7,000	0.01	[●]	[●]
Chamanlal Ratilal Sanghavi	3,500	0.00	[●]	[●]
Chandan Sidhwani	10,500	0.01	[●]	[●]
Chunilal Devchand Sanghavi	3500	0.00	[●]	[●]
Davesh Vora	3,500	0.00	[●]	[●]
Deepa Mani	3,500	0.00	[●]	[●]
Geeta A. Anam	1,750	0.00	[●]	[●]
Heena Yogesh Chheda	7,000	0.01	[●]	[●]
Honey N. Shah	2,100	0.00	[●]	[●]
Jitesh Chamnal Sanghvi	3,500	0.00	[●]	[●]
Kaushal A. Gandhi	7,000	0.01	[●]	[●]
Kunverji Nanji Kenia	17,500	0.02	[●]	[●]
Manjari S. Kapadia	28,000	0.02	[●]	[●]
Mansi A. Gandhi	3,500	0.00	[●]	[●]
Nimesh P. Gala	14,000	0.01	[●]	[●]
Nimish P. Kenia	14,000	0.01	[●]	[●]
Pradeep N. Shah	17,500	0.02	[●]	[●]
Radha Dhanwani	91,000	0.08	[●]	[●]
Rupali Prashant Patel	7,000	0.01	[●]	[●]
Rupa Pradeep Shah	70,000	0.06	[●]	[●]
Shilpa Hemant Kenia	14,000	0.01	[●]	[●]
Sushil T. Kapadia	46,200	0.04	[●]	[●]
Vipul K. Shah	3,500	0.00	[●]	[●]
Jayesh B. Jain	98,700	0.09	[●]	[●]
Heena J. Jain	50,400	0.04	[●]	[●]
Pragnesh B. Jain	25,200	0.02	[●]	[●]
Heena P. Jain	25,200	0.02	[●]	[●]
Lokesh B. Jain	50,400	0.04	[●]	[●]
Imran Rahim Sunesara	575,000	0.50	[●]	[●]
Anjum Imran Sunesara	300,000	0.26	[●]	[●]
Univision Reality Pvt Ltd	375,000	0.32	[●]	[●]
Issue to public	-	-	[●]	[●]
Total	115,440,693	100	[●]	[●]

10. The list of top ten shareholders of the Company and the number of Equity Shares held by them is as under:

- a. The list of top ten shareholders of our Company and the number of Equity Shares held by them as on the date of filing of this Draft Red Herring Prospectus is as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	NMS Holdings Private Limited	36,489,471	31.61
2.	Nayan Bheda	18,200,000	15.77
3.	Sachin Deshmukh	17,500,000	15.16
4.	IndiaREIT Enterprises Holdings Limited	12,665,979	10.97
5.	Alpex International Ltd	8,080,849	7.00
6.	Nayan Shah	7,000,000	6.06
7.	Mahesh Shetty	6,635,629	5.75
8.	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III	5,518,065	4.78
9.	Chetan Bheda	700,000	0.61
10.	Animesh Dharamsi	700,000	0.61

- b. The list of top ten shareholders of our Company and the number of Equity Shares held by them ten days prior to the date of filing of this Draft Red Herring Prospectus is as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (%)
1.	NMS Holdings Pvt Ltd	37,375,100	32.98
2.	Nayan Bheda	18,200,000	15.77
3.	Sachin Deshmukh	17,500,000	15.16
4.	IndiaREIT Enterprises Holdings Limited	12,665,979	10.97
5.	Alpex International Ltd	8,080,849	7.00
6.	Nayan Shah	7,000,000	6.06
7.	Mahesh Shetty	7,000,000	6.06
8.	IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III	5,518,065	4.78
9.	Chetan Bheda	700,000	0.61
10.	Animesh Dharamsi	700,000	0.61

- c. The list of top ten shareholders of our Company and the number of Equity Shares held by them two years prior to the date of filing of this Draft Red Herring Prospectus is as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Shareholding (In %)
1.	Mr. Nayan Bheda	1,000,000	27.32
2.	Mr. Sachin Deshmukh	1,000,000	27.32
3.	Mr. Mahesh Shetty	1,000,000	27.32
4.	Mr. Nayan Shah	660,000	18.04
	Total	3,660,000	100

11. As of the date of this Draft Red Herring Prospectus, none of the BRLM and their associates hold any Equity Shares in the Company.
12. Our Company will not, without the prior written consent of the Book Running Lead Manager, during the period ending 180 calendar days after the date of listing and commencement of trading of the Equity Shares, alter our capital structure in any manner including by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares or any securities convertible into or exchangeable, directly or indirectly, for the Equity Shares. If we enter into acquisitions or joint ventures for the purposes of our business, we may, subject to necessary approvals and consents, consider raising additional capital to fund such activities or use the Equity Shares as currency for acquisition or participation in such joint ventures.

13. Except as stated in the section titled “**Management**” beginning on page 142 of this Draft Red Herring Prospectus, none of our Directors or key management personnel hold any Equity Shares in our Company.
14. Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Issue shall be Allotted to QIBs. If at least 60% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Provided the Company and the Selling Shareholder in consultation with the BRLM, may allocate upto 30% of the QIP Portion to Anchor Investors.
15. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
16. As of the date of the filing of this Draft Red Herring Prospectus, the total number of holders of our Equity Shares is 43.
17. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.
18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.
19. Our Company has not granted any options or issued any shares under any scheme of employee stock option or employee stock purchase.
20. Our Company and the Selling Shareholder have not raised any bridge loans against the proceeds of the Issue.
21. The Company during the preceding one year from the date of filing the Draft Red Herring Prospectus has issued Equity Shares at variable prices, which may be lower than the Issue Price. For further details, refer to section titled “**Capital Structure - Equity Share Capital**” beginning on page 29 of this Draft Red Herring Prospectus.
22. We presently do not intend or propose any further issue of Equity Shares, whether by way of split or consolidation of the denomination of the shares or issue of specified securities on a preferential basis or bonus or rights issue or qualified institutions placement, within a period of six months from the date of receiving the trading and listing approvals.
23. We presently do not intend or propose to alter our capital structure from the date of submission of this Draft Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchanges.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Our Promoters, Promoter Group and Group Companies will not participate in this Issue.
27. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.
28. 3,000,000 Equity Shares forming part of Promoter’s holding are pledged with HUDCO for securing the term loan facility of Rs. 1,380 million to Neptune Ventures and Developers Private Limited, subsidiary of our Company For further details, please see section titled “**Financial Indebtedness**” beginning on page 194 of this Draft Red Herring Prospectus.
29. Except as disclosed in this section, our Company has not issued any Equity Shares for consideration other than cash.
30. The Company, Directors, Promoters, Promoter Group and the Selling Shareholder confirm that they shall not make any payments, direct or indirect, provide discounts, commission, allowances or otherwise, in connection with this Issue except as disclosed in the DRHP.

Objects of the Issue

The objects of the Issue are:

1. to meet expenses of construction and development of certain of our Ongoing and Forthcoming Projects;
2. to increase our equity shareholding in our associate company, Neptune Realtors Private Limited;
3. to fund our Subsidiary for part repayment of its loan; and
4. for general corporate purposes.

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

Issue Expenses

The total expenses of the Issue are estimated to be approximately Rs [●] million. The Issue related expenses include, among others, Issue management fees, registrar fees, printing and distribution expenses, fees of the legal counsels, advertisement and road show expenses, stamp duty, depository charges, listing fees to the Stock Exchanges. All expenses with respect to the Issue would be shared by our Company and Selling Shareholders on a *pro rata* basis. The breakdown of the total expenses for the Issue estimated at approximately [●] % of the Issue is as follows:

Activity	Expenses* (Rs. In Millions)	As % of total Issue Expenses	As % of Issue
Lead management, underwriting and SCSB's commissions	[●]	[●]	[●]
Listing fees and grading agency fees	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Fees to the Registrar to the Issue and Bankers to the Issue	[●]	[●]	[●]
Advisors (legal and others)	[●]	[●]	[●]
Others	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**To be completed after finalization of Issue Price*

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

Particulars	Rupees (in millions)
Gross proceeds of the Issue raised through the Fresh Issue	[●]
Issue related expenses incurred by the Company	[●]*
Net Proceeds	[●]*

**To be finalized post Issue*

Requirement of funds

After deducting the Issue related expenses, we estimate our Net Proceeds of the Issue to be Rs. [●] million. We intend to utilise the Net Proceeds as per the table set forth below:

S No.	Expenditure items	Total estimated cost	Amount deployed as of October 31, 2009*	Balance Amount to be deployed as of October 31, 2009	Amount to be financed from the Net Proceeds of the Issue	Balance funding	Estimated Schedule of deployment of Net Proceeds for Fiscal		
							2010-11	2011-12	2012-13

1.	Construction and development cost of certain of our Ongoing and Forthcoming Projects	7,379.87 [#]	3,768.34 [#]	3,611.53	2,756.60	854.93	2,270.57	486.04	-
2.	Part repayment of loan of our Subsidiary	375.00 [@]	-	375.00	375.00	-	375.00	-	-
3.	Increase equity shareholding in our associate company	650.00	-	650.00	650.00	-	650.00	-	-
4.	General Corporate Purposes	NA	NA		[•]	-	[•]	[•]	[•]
5.	Issue Expenses	NA	NA		[•]	-	[•]	[•]	[•]
	Total		3,768.34	4,636.53	3,781.60	854.93	3,295.57	486.04	

[#] Total estimated cost for construction and development costs of certain of our Ongoing and Forthcoming Projects are based on internal management estimates.

^{*} The amount deployed is as of October 31, 2009 as certified by M/s Shaparia & Mehta, Chartered Accountants vide their certificate dated December 24, 2009.

[@] As per the certificate from M/s Shaparia & Mehta, Chartered Accountants dated December 24, 2009.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change on account of changes in external circumstances or costs, business situations etc.

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, equity and debt, as required.

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, including any industry consolidation opportunities, such as acquisition. We may have to revise our estimated costs and fund requirements owing to factors such as undertaking new projects, modifications in existing planned developments and any new initiatives which we may pursue. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our Ongoing and Forthcoming Projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects which are currently planned and increasing or decreasing in the expenditure for a particular project or land development rights in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals through cash flow from our operations, advances received from customers, equity and debt, as required.

Means of Finance

The following is a summary of our means of financing for the construction expenses of our Ongoing and Forthcoming Projects:

Particulars	Rs. in million
Funds required for projects mentioned as Objects of the Issue	7,379.87
Funds deployed upto October 31, 2009*	3,768.34
Balance Funds to be deployed	3611.53
Funding through the Net proceeds	2,756.60
Funds required excluding the Net Proceeds	854.93
Balance fund required	
75% of the above	641.20
Arrangements:	
Loan Agreements:	
Balance limit available through sanction letters (As on October 31, 2009)**	747.98
Total Arrangements	747.98

* As per the certificate from M/s Shaparia & Mehta, Chartered Accountants dated December 24, 2009.

** We have received revised sanction letters from HUDCO, Bank of India, Punjab National Bank and Oriental Bank of Commerce dated November 20, 2009, April 17, 2009, June 27, 2009 and June 16, 2009, for Rs. 547.00 million, Rs. 445.00 million, Rs. 350 million and Rs. 105 million respectively

We confirm that firm arrangements through verifiable means towards 75% of the stated means of finance, excluding Net Proceeds, have been made.

Details of the Objects

1. Construction and development of certain of our Ongoing and Forthcoming Projects:

We have a total of 19 projects, out of which, 3 are Completed Projects, 7 are Ongoing Projects, 8 Forthcoming Projects and 1 Proposed Project. Amongst these projects, we intend to deploy Rs. 2,756. 60 million from the Net Proceeds for the construction of 4 Ongoing Projects and 3 Forthcoming Projects.

We propose to deploy a part of the Net Proceeds towards construction and development of Element, Thane, Neptune Swarajya, Ambivali, Neptune Swarajya, Pune, Neptune 101, Kochi, Flying Kites, Bhandup, Mumbai and Magnet Mall, Bhandup, Mumbai.

We have already acquired land/development rights or entered into MoUs for these projects. These projects are undertaken either through our Company or through our Subsidiaries or partnership firm in which our Company is a partner. Relevant certificates and approvals required to commence the construction and development work for the projects have either been obtained or are in various stages of approval. Further details on our projects are provided in the section “**Business**” beginning on page 74 of this Draft Red Herring Prospectus. The form of investment in the Subsidiary/firm has not been decided. We may either capitalise or provide loans on an arm’s length basis to our Subsidiary/firm from the Net Proceeds.

(Except for area details, all the figures are in Rs. million)

Sr. No.	Project Name*	Saleable Area (~in million sq. ft.)	Project commencement date	Estimated completion date	Total Project Cost (including land)	Amount deployed as on October 31, 2009**	Utilisation of Net Proceeds	Means of Finance Internal Accruals / Debt facility ***	Name of the entity undertaking the project	Stage of Project	Nature of contract / documentation
1.	Element, Thane^	0.63	April 2008	September 2010	1,530.08	881.30	269.60	379.18 ^D	Neptune Developers	Ongoing Project	Commencement Certificate
2.	Neptune Swarajya, Ambivali#^	0.47##	April 2009	September 2010#	523.88	68.43	455.45	-	Neptune Developers Limited	Ongoing Project	Commencement Certificate
3.	Neptune Swarajya, Pune#	0.32##	April 2010	September 2011#	374.74	37.31	337.43	-	Neptune Developers Limited	Forthcoming Project	Land acquired
4.	Neptune 101, Kochi#	0.16##	April 2010	September 2011#	272.82	7.73	265.10	-	Neptune Developers Limited	Forthcoming Project	Development rights acquired
5.	Neptune Swarajya, Nagpur#	0.15##	April 2010	September 2011#	204.18	8.29	195.89	-	Neptune Developers Limited	Forthcoming Project	Development rights acquired
6.	Flying Kites, Bhandup^	0.42	June 2009	March 2012	810.53	2.22	701.36	106.95 ^I	Neptune Ventures & Developers Private Limited	Ongoing Project	Commencement Certificate
7.	Magnet Mall, Bhandup ^	1.19	April 2006	June 2010	3,663.65	2,763.07	531.78	368.80 ^D		Ongoing Project	Commencement Certificate
	Total cost				7,379.87	3,768.34	2,756.60	854.93			

*For a brief description of the nature of each project please refer to the section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

**As per certificate from M/s Shaparia & Mehta, Chartered Accountants dated December 24, 2009.

^The figures as disclosed for these projects are based on work orders as executed by the entity undertaking the project with the local consultants for each of these projects.

The Company intends to utilise the Net Proceeds of the Issue only for certain part of the project Neptune Swarajya at Ambivali, Neptune 101, Kochi, Neptune Swarajya, Pune and Neptune Swarajya, Nagpur.

*** As per certificate from M/s Shaparia & Mehta, Chartered Accountants dated December 24, 2009.

The saleable area for these projects is based on internal management estimates in relation to the part of the projects for which the Net Proceeds shall be utilised.

^I - internal accruals which refers to pre sales advances for the project.

^D - debt facility

Details of break up of costs for the projects

Element, Thane

The project Element, Thane is being undertaken by Neptune Developers, a partnership firm in which our Company is a partner. For details in relation to Neptune Developers, partnership firm undertaking this project and details of project and its status see sections titled “**History and Certain Corporate Matters**” and “**Business**” beginning on pages 109 and 74 respectively of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Element, Thane is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Land cost	263.00	263.00
IT Premium cost	58.75	0.00
Construction cost	951.30	519.44
Interest towards loan availed from Bank of India, Oriental Bank of Commerce, Punjab National Bank	121.53	73.04
Marketing, advertising & administration cost	135.50	25.82
Total	1,530.08	881.30

Neptune Swarajya, Ambivali

The project Neptune Swarajya, Ambivali is being undertaken by our Company. For details in relation to this project and its status see section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Neptune Swarajya, Ambivali is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Land cost	24.96	11.28
Construction cost	466.27	33.58
Marketing, advertising & administration	32.64	23.57
Total	523.88	68.43

Neptune Swarajya, Pune

The project Neptune Swarajya, Pune is being undertaken by our Company. For details in relation to this project and its status see section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Neptune Swarajya, Pune is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Land cost	37.13	37.13
Construction cost	318.50	-
Marketing, advertising & administration	19.11	0.18
Total	374.74	37.31

Neptune 101, Kochi

The project Neptune 101, Kochi is being undertaken by our Company. For details in relation to this project and its status see section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Neptune 101, Kochi is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Development Rights	7.73	7.73
Construction cost	235.64	-
Marketing, advertising & administration	29.46	-
Total	272.82	7.73

Neptune Swarajya, Nagpur

The project Neptune Swarajya, Nagpur is being undertaken by our Company. For details in relation to this project and its status see section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Neptune Swarajya, Nagpur is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Development rights	8.21	8.21
Construction cost	178.96	-
Marketing, advertising & administration	17.00	0.08
Total	204.18	8.29

Flying Kites, Bhandup and Magnet Mall, Bhandup

The project Flying Kites and Magnet Mall at Bhandup are being undertaken by Neptune Ventures and Developers Private Limited, a company incorporated on January 15, 2009 under the Act which is Subsidiary of our Company. For details in relation to Neptune Ventures and Developers Private Limited, Subsidiary undertaking this project and details of this project and its status see sections titled “**History and Certain Corporate Matters**” and “**Business**” beginning on pages 109 and 74 respectively of this Draft Red Herring Prospectus.

The details of the break up of the cost for our project Flying Kites, Bhandup is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
F.S.I Cost	134.13	-
Construction Cost	638.11	1.57
Marketing, advertising & administration	38.29	0.65
Total	810.53	2.22

The details of the break up of the cost for our project Magnet Mall, Bhandup is given below:

(Rupees in million)

Particulars	Cost	Amount Deployed as of October 31, 2009
Land Cost	557.63	557.63
TDR / F.S.I Cost	246.02	99.27
Construction Cost	2,000.00	1,397.36
Interest during Construction	450.00	369.51
Marketing, advertising & administration	410.00	339.31
Total	3,663.65	2,763.07

All the expenses incurred by the Company towards construction and development of certain of our Ongoing and Forthcoming Projects from November 1, 2009 till the actual utilization of the Net Proceeds would be recouped from the Net Proceeds.

2. Increasing our equity shareholding in our associate company, Neptune Realtors Private Limited

Neptune Realtors Private Limited (“**Neptune Realtors**”), a company incorporated on November 20, 2006 under the Act is an associate company of our Company. Our Company entered into a Share Subscription cum Shareholders’ Agreement (“**SSSA**”) with Neptune Realtors, IndiaREIT Offshore Fund and IL&FS Trust Company Limited as trustee to INDIAREIT Fund – Scheme I on February 7, 2007.

The shareholding pattern of Neptune Realtors as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total holding	Percentage of total voting rights (In %)
Equity Share Capital				
Class A				
1.	Neptune Developers Limited*	20,000	25.00	40.00
2.	IndiaREIT Offshore Fund**	24,000	30.00	48.00
3.	IL&FS Trust Company Limited, in the capacity of being a trustee to IndiaREIT Fund-Scheme I	6,000	7.50	12.00
	Sub-Total	50,000	62.5	100.00
Class B				
1.	Neptune Developers Limited	10,000	12.5	0
	Sub-Total	10,000	12.5	0
Class C				
1.	IL&FS Trust Company Limited, in the capacity of being a trustee to IndiaREIT Fund-Scheme I	10,000	12.5	0
	Sub-Total	10,000	12.5	0
Class D				
1.	IndiaREIT Offshore Fund	10,000	12.5	0
	Sub-Total	10,000	12.5	0
	Total	80,000	100.00	100.00
Preference Share Capital				
0.0001% Optionally Convertible Preference Shares				
1.	IndiaREIT Offshore Fund	23,000,000	100.00	-
	Sub-Total	23,000,000	100.00	-

*Our Company acquired 100 class A equity shares from Mr. Nayan Bheda and Mr. Sachin Deshmukh each aggregating to 200 class A equity shares i.e. 0.25% of class A equity share capital in Neptune Realtors on December 22, 2009. The Company is in the process of filing a compounding application with the RoC under Section 621A of the Companies Act for violation of the provisions of Section 297 of the Companies Act, for which the penalty is unquantifiable.

On May 14, 2007, IL&FS Trust Company Limited as trustee to INDIAREIT Fund – Scheme I transferred 24,000 class A equity shares to IndiaREIT Offshore Fund. In this regard, form for transfer of shares from resident to non-resident (“FCTRS**”) was filed on December 24 2009. Since there was a delay in filing the said FCTRS, a condonation of delay has also been filed with RBI on December 26, 2009.

For further details of terms of issuance of class A equity shares, see section titled “**History and Certain Corporate Matters – Shareholders’ Agreement**” beginning on page 137 of this Draft Red Herring Prospectus.

Our Company intends to purchase further 5,005 class A equity shares aggregating to 10.01% of the class A equity share capital from IndiaREIT Offshore Fund. The pre and post shareholding pattern of Neptune Realtors after the aforesaid share transfer from IndiaREIT Offshore Fund, subject to compounding application as referred above will be as follows:

Sr. No.	Name of the shareholder	Pre share transfer			Post share transfer		
		No. of equity shares	Percentage of total holding (In %)	Percentage of total voting rights (In %)	No. of equity shares	Percentage of total holding (In %)	Percentage of total voting rights (In %)
Equity Share Capital							
Class A							
1.	Neptune Developers Limited	20,000	25.00	40.00	25,005	31.25	50.01

2.	IndiaREIT Offshore Fund	24,000	30.00	48.00	18,995	23.74	37.99
3.	IL&FS Trust Company Limited, in the capacity of being a trustee to IndiaREIT-Scheme I	6,000	7.50	12.00	6,000	7.50	12.00
	Total	50,000	62.50	100.00	50,000	62.50	100.00

Subsequent to the aforesaid transfer of class A equity shares, our Company's existing equity shareholding percentage will increase from 25.00% to 31.25% and its voting rights will increase from 40.00% to 50.01%. Post the sale of class A equity shares to our Company, IndiaREIT Offshore Fund will hold 23.74% equity share capital by way of class A equity shares and 37.99% voting rights in Neptune Realtors.

As per Press Note 2 (2005 series) ("**Press Note 2**") issued by the Government of India, Ministry of Commerce and Industry, Department of Industrial Policy & Promotion which *inter alia* governs the foreign direct investment in construction-development projects, original investment can be repatriated only after completion of a period of three years from date of minimum capitalisation. In view of the above the aforesaid share purchase from IndiaREIT Offshore Fund by our Company shall be done in accordance with the requirements of Press Note 2 and other applicable laws and regulations as well as in accordance with the below-mentioned share purchase agreement with IndiaREIT Offshore Fund dated December 28, 2009.

The Company has entered into a share purchase agreement with IndiaREIT Offshore Fund dated December 28, 2009 for the aforesaid share purchase. The consideration to be paid by our Company for the aforesaid share purchase shall be Rs. 650 million. The Company intends to utilise Rs. 650 million of the Net Proceeds as consideration for the aforesaid purchase of class A equity shares from IndiaREIT Offshore Fund. As a result of this purchase of class A equity shares, Neptune Realtors will become the subsidiary of the Company.

Dividend

No dividends are assured for class A equity shares.

Nature of benefit expected to accrue to the Company as a result of investment

Through the increase in the equity shareholding in Neptune Realtors by the Company, the following benefits are expected to accrue:

- (i) The Company can consolidate the financials of Neptune Realtors, since Neptune Realtors shall become the subsidiary of the Company pursuant to the purchase of the additional class A equity shares of Neptune Realtors; and
- (ii) The Company, by virtue of becoming the holding company of Neptune Realtors post purchase of additional class A equity shares of Neptune Realtors, shall have effective control over Neptune Realtors which is engaged in the construction and development of the our Company's key project, i.e. Evolution Kurla. For further details on the project Evolution Kurla, see section titled "**Business**" beginning on page 74 of this Draft Red Herring Prospectus.

Report by the chartered accountants

The financial statements as required under sub-clause (B) (5) of paragraph (IX) of Schedule VIII of SEBI ICDR Regulations have been furnished by M/s Shaparia & Mehta, Chartered Accountants.

For details in relation to financial statement of Neptune Realtors see section titled "**History and Certain Corporate Matters**" beginning on page 109 of this Draft Red Herring Prospectus.

3. Funding our Subsidiary for part repayment of its loan

Our Subsidiary, Neptune Ventures and Developers Private Limited, wherein our Company holds 99.97% of the equity share capital, have availed loan facilities from several lenders.

One such loan includes a loan availed from Indian Bank by way of sanction letter dated December 27, 2006 and loan agreement dated June 28, 2007 for Neptune Living Point Township project which includes Magnet Mall, Bhandup (commercial) and Neptune Living Point, Bhandup (retail) bearing interest rate of 1.50% less than the benchmark PLR and

the term loan premium. As per the said loan agreement, the said loan was to be repaid in eight equal quarterly installments commencing from the 17th month of first draw down i.e. from August, 2007 amounting to Rs. 93.75 million. However, the aforesaid conditions were revised by way of rephasing sanction letter dated February 25, 2009. As per amended rephasing sanction letter dated February 25, 2009, term loan is repayable in eight equal quarterly installments commencing from January, 2010 and last installment will be falling due on October, 2011 the said loan was sanctioned for the specific purpose of construction and development of the Magnet Mall, Bhandup. For further details refer to the section titled “**Financial Indebtedness**” beginning on page 194 of this Draft Red Herring Prospectus.

As of October 31, 2009, the principal amount outstanding from Indian Bank was Rs.700 million. Our Company will utilize an amount of Rs.375 million out of the Net Proceeds to part repay the loan availed by Neptune Ventures and Developers Private Limited. The details of the loan amount proposed to be repaid out of Net Proceeds are provided in the table below:

(Rupees in million)

Name of the Subsidiary	Name of the lender	Date of sanction/loan agreement	Sanctioned Amount	Total Loan amount availed as on October 31, 2009*	Outstanding Amount as on October 31, 2009	Amount to be repaid out of Net Proceeds	Repayment Schedule	Purpose	Rate of interest	Tenure
Neptune Ventures and Developers Private Limited	Indian Bank	Sanction letter- December 27, 2006; Loan agreement - June 28, 2007 Rephasing Sanction Letter dated February 25, 2009	750	702.24	700.10#	375	Please refer to note	For development of Magnet Mall, Bhandup **	Benchmark PLR and term loan premium (presently 13% p.a.)	Till October 15, 2011

the principal amount outstanding is as on October 31, 2009 and is certified by M/s Shaparia & Mehta, Chartered Accountant dated December 24, 2009.

* As per certificate from M/s Shaparia & Mehta, Chartered Accountants dated December 24, 2009.

**As per sanction letter dated December 27, 2006, loan has been availed for Neptune Living Point Township Project which includes Magnet Mall, Bhandup and Neptune Living Point, Bhandup. The loan availed has been utilised for Magnet Mall, Bhandup pursuant to the rephasing sanction letter dated February 25, 2009.

Note: As per amended rephasing sanction letter dated February 25, 2009, term loan is repayable in eight equal quarterly installments commencing from January, 2010 and last installment will be falling due on October, 2011. Out of the eight equal quarterly installments, our Company intends to repay four quarterly installments out of the Net Proceeds.

The form of investment in the Subsidiary has not been decided. We may either capitalise or provide loans on an arm's length basis to our Subsidiary from the Net Proceeds.

4. General Corporate Purposes

The Net Proceeds from the Issue will be first utilized towards the aforesaid items and the balance is proposed to be utilized for general corporate purposes including strategic initiatives, brand building exercises and 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, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, draw down from our existing debt facilities or availing new lines of credit.

Appraisal

The funds requirements and funding plans are based on the Company's estimates, and have not been appraised by any bank/ financial institution.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Issue.

Interim use of Net Proceeds

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

Monitoring of utilisation of funds

There is no requirement for a monitoring agency as the Issue size is less than Rs. 5,000 million. Our Board shall monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. We will indicate investments, if any, of unutilized Net Proceeds in our balance sheet for the relevant Financial Years subsequent to our listing. Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of our Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of our Company.

Our Company shall be required to inform the Stock Exchanges of any material deviations in the utilisation of Net Proceeds and shall also be required to simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisement in newspapers.

Objects of the Offer for Sale

This Issue includes an Offer for Sale upto 3,166,498 Equity Shares aggregating to Rs. [●] million by the Selling Shareholder. Our Company will not receive any proceeds from the Offer for Sale.

Other Confirmation

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

No part of the Net Proceeds will be used for Promoters' Contribution.

Basis for Issue Price

The Issue Price will be determined by us and the Selling Shareholder in consultation with the BRLM on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Equity Shares offered by 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.

Qualitative Factors

For some of the qualitative factors, which form the basis for computing the price refer to “**Business**” and “**Risk Factors**” beginning on pages 74 and xiii respectively of this Draft Red Herring Prospectus.

Quantitative factors

Information presented in this section is derived from the Company’s restated and stand-alone financial statements prepared in accordance with Indian GAAP and SEBI Guidelines. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Earnings Per Share and Diluted Earnings Per Share, pre-issue, for the last three years

(a) Earnings per Share (EPS) based on restated Standalone financial statements

Year / Period ended	EPS based on Restated Financial Statements (Rs.)		Weight
	Basic	Diluted	
March 31, 2007	2.31	0.67	1
March 31, 2008	6.81	5.67	2
March 31, 2009	7.91	1.11	3
Weighted Average	6.61	2.56	6
June 30, 2009*	2.54	0.36	

* The financials for basic and diluted per share are not annualized and are only for three months ended June 30, 2009.

The figures disclosed above are based on the Standalone Restated Summary Statements of the Company.

(b) Earnings per Share (EPS) on consolidated bases

Year / Period ended	EPS based on Restated Financial Statements (Rs.)		Weight
	Basic	Diluted	
March 31, 2007	2.31	0.67	1
March 31, 2008	6.75	5.62	2
March 31, 2009	6.73	0.94	3
Weighted Average	6.00	2.46	6
June 30, 2009*	1.50	0.21	

* The financials for basic and diluted per share are not annualized and are only for three months ended June 30, 2009.

The figures disclosed above are based on the Consolidated Restated Summary Statements of the Company.

Notes:

1. The basic EPS has been computed by dividing net profit attributable to equity shareholders, as restated standalone/ consolidated, by the weighted average number of equity shares outstanding during the year, in accordance with Accounting Standard-20 on ‘Earnings per share’ issued by the Institute of Chartered Accountants of India.
2. The diluted EPS has been computed by dividing net profit attributable to equity shareholders, as restated standalone/ consolidated, by the sum of the weighted average number of equity shares outstanding during the year considered for deriving basic EPS and the weighted average number of equity shares, which could have been issued on the conversion of dilutive potential equity shares such as dilutive convertible preference share, in accordance with Accounting Standard - 20 on ‘Earnings per share’ issued by the Institute of Chartered Accountants of India.
3. Weighted Average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
4. For the purpose of calculating diluted earnings per share for the years ended March 31, 2007, March 31, 2008, March 31, 2009 and June 30, 2009 the weighted average number of equity shares are adjusted for the equity shares.

5. As per the requirements of the Accounting Standard 20 'Earning per share', the weighted average number of equity shares and potential equity shares outstanding during the year/period and all periods presented are adjusted for issue of bonus shares, share application money and conversion of preference shares into equity shares made by the Company.
6. The diluted EPS has been calculated after giving effect/ adjustment for changes in capital due to issue of bonus shares. At the board meeting of shareholders held on December 1, 2009, the company has issued 8,88,16,638 equity shares as bonus to its existing shareholders by way of capitalization of securities premium in ratio of six equity shares for every one share held. In accordance with Accounting Standard – 20 "Earning per Share", the aforesaid shares have been adjusted for the event of bonus shares in computation of the Earning per share.
7. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Standalone Summary Statements as appearing in Annexure XIII and Notes to the Restated Consolidated Summary Statements as appearing in Annexure XIV.
8. The face value of each equity shares is Rs.10

(2) Price Earnings ratio pre-issue

(a) Price/Earning (P/E) ratio in relation to the price band

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

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

Industry P/E	
Highest	377.00
Lowest	1.00
Industry Composite	37.30

Source: "Capital Market" magazine Vol. no. XXIV/21 dated December 14-27, 2009 (Industry – Construction Sector)

(3) Average Return on Net Worth in the last three years

(a) Weighted Average Return on Net worth based on Restated Standalone Financial Statements

Year / Period ended	RoNW (%) *	Weight
March 31, 2007	1.99%	1
March 31, 2008	2.87%	2
March 31, 2009	4.57%	3
Weighted Average	3.57%	6

(b) Weighted Average Return on Net worth based Restated Consolidated Financial Statements

Year / Period ended	RoNW (%) *	Weight
March 31, 2007	1.99%	1
March 31, 2008	2.85%	2
March 31, 2009	3.92%	3
Weighted Average	3.24%	6

The Return on Net worth on a Standalone basis and consolidated basis for the three month period ended (not annualized) June 30, 2009 was 1.46% and 0.87% respectively.

(4) Minimum Return on Increased Net Worth required to maintain pre-issue Earnings Per Share

Minimum return on increased net worth required to maintain Pre-Issue EPS is [●]%

(5) Net Asset Value per share based on last balance sheet

(A) Net Asset Value (NAV) per Equity Share of face value Rs. 10 each Restated Standalone Financial Statements

As at	Amount (Rs.) Per Equity Share
March 31, 2009	21.85

(B) Net Asset Value (NAV) per Equity Share of face value Rs. 10 each Restated Consolidated Financial Statements

As at	Amount (Rs.) Per Equity Share
March 31, 2009	21.69

(6) Net Asset Value per share after issue and comparison thereof with the Issue price.

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

The Issue Price per Equity Share is Rs. [●]

The Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

(7) Comparison of key Accounting Ratios

Comparison of accounting ratios as of March 31, 2009

	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	RoNW%	Book Value per Share (Rs.)
Neptune Developers Ltd*	10	6.73	-	4.57%	21.85
Peer Group**					
Ackruti City	10	36.5	-	29.1%	183.7
HDIL	10	24.0	23.2	20.5%	178.0

* Our EPS, return on net worth and book value per share have been calculated from our unconsolidated restated audited financial statements on basic basis.

** Source: "Capital Market" magazine Vol. no. XXIV/21 dated December 14-27, 2009 (Industry – Construction Sector)

The BRLM believes that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. For further details, see the section titled "**Risk Factors**" beginning on page xiii of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the auditor's report.

Statement of Tax Benefits

Neptune Developers Limited
Neptune House,
Karma Stambh Building,
Vikhroli (West)
Mumbai – 400 083

Dear Sirs,

Re: Possible Tax Benefits available under the existing tax laws to the Company and the Shareholders on Initial Public Offering (the “IPO”) of Equity Shares as per SEBI Regulations.

As desired by you, we enclose herewith Annexure giving the details of the possible Tax Benefit available to Neptune Developers Limited (“the Company”) and its Shareholders under the current direct tax laws, in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we are absolved of any liability to the shareholder or placing reliance upon the contents of this material.

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 benefit have been / would be met with;

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

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

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 current tax laws.

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

This report is intended solely for information and for the inclusion in the Offer Document in connection with the proposed Issue of Equity Shares of the Company as per SEBI Regulations and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,

For Shaparia & Mehta
Chartered Accountants
Sanjiv Mehta
Partner
Membership No. 34950
Mumbai
Date: 24th December, 2009

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS:

There are no special tax benefits available to the Company and shareholders.

GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS:

As per the existing provisions of the Income Tax Act, 1961 and other laws as applicable for the time being in force, the following Tax Benefits and deductions are and will, inter alia, will be available to Neptune Developers Limited (The Company) and its Shareholders. These benefits are available after fulfilling certain conditions as required in the respective acts.

To the Company

1. Subject to Compliance of certain conditions laid down in Section 32 of the Income Tax Act, 1961, the Company will be entitled to a deduction for depreciation in respect of tangible assets and intangible assets being in the nature of 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;
2. Carry forward of business loss (section 72 of the Act) Unabsorbed business losses, if any, for any year can be carried forward and set off against business profits for subsequent years (up to 8 years).
3. Dividend income from shares or units of mutual funds specified under section 10(23D) of the Income Tax Act, 1961 is exempt from income tax in accordance with and subject to the provisions of section 10(34) read with Section 115-O or section 10(35), respectively, of the Income Tax Act, 1961. As per the provisions of Section 14A of the Income Tax Act, 1961 no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions contained therein. Also, Section 94(7) of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units are claimed as tax exempt.
4. Under section 10(2A) of the Income Tax Act, 1961, any share of profit of the Company in the total Income of the Firm in which the Company is a partner is exempt from tax.
5. Under section 10(38) of the Income Tax Act, 1961 the Long-Term Capital Gains arising on transfer of securities, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the company. However, with effect from 1st April 2007 i.e. for the Assessment Year 2007-2008 onwards such Long Term Capital Gain shall be taken into account in computing the book profit and income tax payable under section 115JB of the Income Tax Act, 1961.
6. The Company will be entitled to amortise preliminary expenditure, being expenditure incurred on public issue of shares under section 35D(2)(c)(iv) of the Income Tax Act, 1961, subject to the limit specified in Section 35D(3).
7. Under section 35DD of the Income Tax Act, 1961 for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to one-fifth of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.
8. The Company will be entitled to claim expenditure incurred in respect of voluntary retirement scheme under scheme 35DDA of the Income Tax Act, 1961 in five equal annual installments.
9. As per the provisions of Section 112(1)(b) of the Income Tax Act, 1961, other Long-Term Capital Gains arising to the company are subject to tax at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess). However, as per the Proviso to that section, the Long-Term Capital Gains resulting from transfer of listed securities or units (not covered by section 10(36) and 10(38) of the Income Tax Act, 1961, are subject to tax at the rate of 20% on Long-Term Capital Gains worked out after considering indexation benefit (plus applicable surcharge, education cess and secondary & higher education cess), which would be restricted

to 10% of Long-Term Capital Gains worked out without considering indexation benefit (plus applicable surcharge, education cess and secondary & higher education cess).

10. As per the provisions of section 111A of the Income Tax Act, 1961. Short-Term Capital Gains arising to the Company from transfer of Equity Shares in any other Company through a recognized Stock Exchange or from sale of units of any equity-oriented mutual fund are subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess), if such a transaction is subjected to Securities Transaction Tax.
11. In accordance with and subject to the conditions specified in Section 54EC of the Income Tax Act, 1961 the Company would be entitled to exemption from tax on Long-Term Capital Gain (not covered by Section 10(36) and Section 10(38) of the Income Tax Act, 1961 if such capital gain is invested in any of the long-term specified assets (herein-after referred to as the "new asset") to the extent and in the manner prescribed in the said section. For investment made on or after 1st day of April 2007, the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the financial year. If the new asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of Capital Gains for which exemption is availed earlier would become chargeable to tax as Long-Term Capital Gains in the year in which such new asset is transferred or converted into money. If only a portion of capital gain is so invested, the exemption is available proportionately. The bonds presently specified within this section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd (REC).
12. The corporate tax rate shall be 30% (plus applicable surcharge, education cess and secondary & higher education cess). Surcharge @ 10% shall be levied if the net income exceeds Rupees One Crore.
13. As provided under section 115JB of the Income Tax Act, 1961, the Company is liable to pay income tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess on the Book Profit as per the provisions of section 115JB if the total tax payable as computed under the Income Tax Act, 1961 is less than 15% of its Book Profit as computed under the said section.
14. Under Section 115JAA (1A) credit shall be allowed of any MAT paid under Section 115JB of the Income Tax Act, 1961. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. However no interest shall be payable on the tax credit under this sub-section. Such MAT credit shall be available for set-off up to years w.e.f 1.4.2010 succeeding the year in which the MAT credit initially arose.
15. Under section 24(a) of the I.T. Act, 1961 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.
16. Under section 24(b) of the Income Tax Act, 1961 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 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.

B) To the Shareholders of the Company

Resident Members:

1. Dividend income of shareholders is exempt from income tax under section 10(34) read with Section 115-O of the Income Tax Act, 1961. As per the provisions of Section 14A of the Income Tax Act, 1961, no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions contained therein. Also, Section 94(7) of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares purchased up to three months prior to the record date and sold or transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt by the shareholders.
2. Dividend paid to The New Pension System (NPS) Trust shall be exempt from dividend distribution tax under Section 115-O. All purchases and sales of derivatives by the NPS Trust will be exempt from Securities Transaction Tax as per amended section 197A the NPS Trust shall receive all income with any tax deduction at source.

3. Any income arising from the transfer of a long term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity oriented fund is exempt u/s 10(38), where the transaction of sale of such equity share or unit is entered through recognized Stock Exchange on or after 1-10-2004.
4. Under section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Income Tax Act, 1961 arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by –
 - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. For Investment made on or after 1st day of April 2007, the exemption would be restricted to the amount which does not exceed Rupees Fifty Lacs during the financial year.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Income Tax Act, 1961 arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to other conditions, if the net sales consideration from such shares are used for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
6. As per section 74 of the Income Tax Act, 1961, Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years Long term capital gains.
7. Under section 111A of the Income Tax Act, 1961 capital gains arising to a shareholder from transfer of short terms capital assets, being an equity share in the company or unit of an equity oriented Mutual fund, entered into in a recognized stock exchange in India will be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess).
8. Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961 long term capital gains (not covered under section 10(38) of the I.T. Act, 1961 arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge, education cess and secondary & higher education cess) (without indexation), at the option of the Shareholders.
9. Gift of shares of the company from other than by a relative (relative as defined u/s 56(2)) exceeding Rs 50,000 is taxable in the hand of donee being individual or HUF is taxable as income from other sources under clause vii of sub section 2 of section 56 of the Income Tax Act, 1961 with effect from 1/10/2009.
10. The value of any immovable property being land or building or both received without consideration or for inadequate consideration will be included in the computation of total income of the recipient. In a case where an immovable property is received by an individual or an HUF without consideration and the stamp duty value exceeds Rs. 50,000, the whole of the stamp duty value shall be taxed as income of the recipient. If an immovable property is received for a consideration which is less than the stamp duty value of the property and the difference between the two exceeds Rs. 50,000 (inadequate consideration), the difference between the stamp duty value of such property and such consideration shall be taxed as the income of the recipient. If the stamp duty value of the immovable property is disputed by the assessee, the assessing officer may refer the valuation of such property to a valuation officer. In such

cases, the provisions of existing section 50C and section 155(15) of the income tax act shall, as far as may be apply for determining the value of such property, with effect from 1st October, 2009.

Non Resident Indians/Members other than FIIs and Foreign Venture Capital Investors:

- Dividend income of shareholders is exempt from income tax under section 10(34) read with Section 115-O of the Income Tax Act, 1961. As per the provisions of Section 14A of the Income Tax Act, 1961, no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with the provisions contained therein. Also, Section 94(7) of the Income Tax Act, 1961 provides that losses arising from the sale/transfer of shares purchased up to three months prior to the record date and sold or transferred within three months after such date, will be disallowed to the extent dividend income on such shares are claimed as tax exempt by the shareholders.
- Any income arising from the transfer of a long term capital asset (i.e. capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity oriented fund is exempt u/s 10(38), where the transaction of sale of such equity share or unit is entered through recognized Stock Exchange on or after 1-10-2004.
- Tax on income from investment and Long Term Capital Gains (other than those exempt u/s 10(38):
- A non-resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to certain incomes of Non-Residents".
- Under section 115E of the Income Tax Act, 1961, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(38) of the Income Tax Act, 1961) be concessional tax at a flat rate of 10% (plus applicable surcharge, education cess and secondary & higher education cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Income Tax Act, 1961. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.
- Under provisions of section 115F of the Income Tax Act, 1961, long term capital gains (not covered under section 10(38) of the Income Tax Act, 1961) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
- Return of income not to be filed in certain cases
Under provisions of section 115-G of the Income Tax Act, 1961, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- Under section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to certain specified investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- Under section 115-I of the Income Tax Act, 1961, 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 under section 139 the Income Tax Act, 1961 declaring therein that the provisions of this Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Income Tax Act, 1961 shall apply.
- As per section 90(2) of the Income Tax Act, 1961, the provisions of the I.T. Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder

can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement.

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

Foreign Institutional Investors (FIIs)

- By virtue of section 10(34) the Income Tax Act, 1961, income earned by way of dividend income from another domestic company referred to in section 115-O of the Income Tax Act, 1961, are exempt from tax in the hands of the institutional investor.
- In terms of section 10(38) of the Income Tax Act, 1961, any Long Term Capital Gains arising to an investor from transfer of long-term capital asset being an equity shares in a company would not be liable to tax in the hands of the investor if the following conditions are satisfied:
 - a) The transaction of sale of such equity shares is entered into on or after 1st October 2004.
 - b) The transaction is chargeable to such securities transaction tax.
- The income realized by FIIs on sale of shares in the company by way of short-term capital gains referred to in Section 111A of the Income Tax Act, 1961 would be taxed at the rate of 15% (plus applicable surcharge, educational cess & secondary & higher education cess on income tax) as per section 115AD of the Income Tax Act, 1961.
- The income by way of short term capital gains (not referred to in section 111A or long term capital gains (not covered under section 10(38) of the Income Tax Act, 1961 realized by FIIs on sale of shares in the company would be taxed at the following rates as per section 115 AD of the Income Tax Act, 1961.
 - Short term capital gains - 30% (plus applicable surcharge, education cess & secondary & higher education cess on income tax)
 - Long term capital gains - 10% (without cost indexation) plus applicable surcharge , education cess and secondary & higher education cess on income tax)
(Shares held in a company would be considered as a long-term capital asset provided they are held for a period exceeding 12 months).
- Under section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Income Tax Act, 1961 arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by -
 - a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
 - b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956;
 - c) If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. For Investment made on or after the 1st Day of April 2007, the exemption would be restricted to the amount, which does not exceed Rupees Fifty Lacs during the financial year.
- As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains. Long term capital loss suffered during theyear is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years Long term capital gains.
- As per section 90(2) if the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961 would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement (TIEA).

Venture Capital Companies/Funds

- In terms of section 10(23FB) of the Income Tax Act, 1961, income of Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the official Gazette, set up for raising funds for investment in a Venture Capital Undertaking, is exempt from income tax,
- As per section 90(2) if the Income Tax Act, 1961, the provisions of the Income Tax Act, 1961 would prevail over the provisions of the tax treaty to the extent they are more beneficial to the Non Resident shareholder. Thus a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty or Tax Information Exchange Agreement (TIEA)

Under the Wealth-tax Act, 1957

1. 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, hence Wealth-tax Act 1957 will not be applicable.

Notes:

1. All the above benefits are as per the current tax laws as amended by the Finance Act (No.2), 2009 However benefits proposed by Direct Taxes Code Bill, 2009 (which becomes law only in 2011, if passed in the Parliament) have not been considered.
2. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.
4. Our views expressed herein are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
5. The stated benefit will be available only to the sole/first named holder in case the shares are held by Joint holders.
6. In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in this issue and we are absolved of any liability to the shareholder for placing reliance upon the contents of this material.

The possible Tax benefits listed above are not exhaustive and 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. All reasonable care has been taken in the preparation of this opinion.

SECTION IV - ABOUT US

Industry Overview

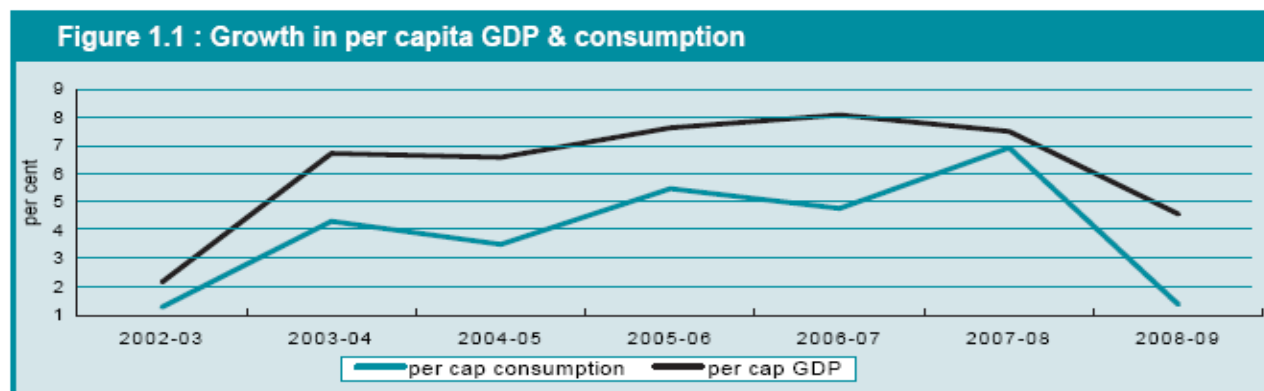
The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by the Company, the Book Running Lead Manager, or their respective legal, financial or other advisors, and no representation 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 world's largest democracy in terms of population, with India's National Commission on Population estimating a population of 1,153 million people as of December 18, 2009. (Source: <http://populationcommission.nic.in/>)

Economic growth in India during 2008-09 was 6.7 per cent. This represented a decline of 2.1 per cent from the average growth rate of 8.8 per cent in the previous five years (2003-04 to 2007-08). However, during the preceding five-year period from 1998-99 to 2002-03 average growth was only 5.4 per cent, while the highest growth rate achieved during the period was 6.7 per cent (in 1998-99). Per capita GDP growth, which broadly reflects the improvement in the income of the average person, grew by an estimated 4.6 per cent in 2008-09. Though this represents a substantial slowdown from the average growth in per capita GDP of 7.3 per cent per annum during the previous five years, it is still significantly higher than the average 3.3 per cent per annum growth during 1998-99 to 2002-03. (Source: *Economic Survey 2008-09*)

Per capita income in 2008-09, measured in terms of gross domestic product at constant 1999-2000 market prices, was Rs. 31,278. In 2007-08 this stood at Rs. 29,901. Per capita consumption in 2007-08 was Rs. 17,097. While there has been an increase in levels of per capita income and consumption, there has been a slowdown in their growth rate (Figure 1.1). The growth in per capita GDP decelerated from 8.1 per cent in 2006-07 to 4.6 per cent in 2008-09, while the per capita consumption growth declined from 6.9 per cent in 2007-08 to 1.4 per cent in 2008-09. (Source: *Economic Survey 2008-09*)



(Source: *Economic Survey 2008-09*)

The overall growth of GDP at factor cost at constant prices in 2008-09, as per revised estimates released by the Central Statistical Organisation (CSO) in May 2009 was 6.7 per cent. This is lower than the 7 per cent projection in the Mid-Year Review 2008-09 of the Economic Division, Department of Economic Affairs (DEA) (December 2008) and the advance estimate of 7.1 per cent, released subsequently by CSO in February 2009. However, the

DEA's 7 per cent estimate had assumed normal agricultural growth and the CSO has reduced their estimate of GDP from agriculture (based on third advance estimates). The growth of GDP at factor cost (at constant 1999-2000 prices) at 6.7 per cent in 2008-09 represents a deceleration from high growth of 9.0 per cent and 9.7 per cent in 2007-08 and 2006-07 respectively. (Source: *Economic Survey 2008-09*)

The Indian Real Estate Sector

The real estate sector includes residential housing, commercial offices, retail outlets, trading spaces such as theatres, hotels and restaurants and industrial buildings such as factories and government buildings. It involves the purchase, sale, and development of land as well as of residential and non-residential buildings.

The Indian real estate sector plays a significant role in the country's economy and is second only to agriculture in terms of employment generation. (Source: *India Brand Equity Foundation*, www.ibef.org) Almost 80% of real estate developed in India is residential space, the rest comprising of offices, shopping malls, hotels and hospitals. According to estimates of the Technical Group constituted by the Ministry of Housing and Urban Poverty Alleviation for assessment of urban housing shortage at the end of the Tenth Five Year Plan, the total housing shortage in the country is 24.71 million homes. Over the next 10 to 15 years, 80 to 90 million housing dwelling units are expected to be constructed with a majority of them catering to middle-and lower-income groups. The housing sector contributes almost 5% of the country's GDP. In the next five years, this contribution to the GDP is expected to rise to 6%. (Source: *India Brand Equity Foundation*, www.ibef.org)

According to the latest data given by the Department of Policy and Promotion, Foreign direct investment (FDI) into India in the real estate sector for the year 2008-09 was approximately US\$12.62 billion. (Source: *India Brand Equity Foundation*, www.ibef.org)

Government Initiatives

The Government of India has introduced many progressive reform measures designed to meet increasing demand levels for real estate in India. The stimulus package announced by the government, coupled with changes introduced by the Reserve Bank of India (RBI), is likely to impact the Indian real estate sector. The changes that will be particularly relevant to the Indian real estate sector are 100% FDI allowed in real estate projects through the automatic route.

- 51% FDI allowed in single-brand retail outlets and 100% in cash-and-carry through the automatic route.
- In the 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.
- 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 permitted after three years.

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

The year 2008-09 witnessed several announcements by the central and certain state governments pertaining to policy changes as measures to curb inflation and to combat the effect of the global deleveraging on the nation's economy. Some relevant policy changes were:

The Maharashtra government granted 100% extra Floor Space Index (FSI) in IT/ITeS Parks to be used for financial services such as banks, insurance companies and securities within the IT Parks.

The RBI amended the policy on External Commercial Borrowing (ECB) to permit the development of integrated townships, hotels, hospitals and non-banking financial companies exclusively financing infrastructural projects to undertake ECB under the approval route.

Housing loans to individuals carrying a risk weightage of 50% was increased from INR 2 million to INR 3 million.

There was a decrease in stamp duty charges in several states including Delhi, UP, Haryana.

Income tax benefits available to companies or units set up under the Software Technology Parks of India scheme were extended for a year till March 31, 2010.

The central government also allowed the rescheduling of bank debt without it being classified as a non performing loan. (*Source: Cushman & Wakefield – India Outlook 2009 dated March 2009 ("C&W Outlook 2009")*).

In addition, the Union Ministry of Commerce & Industry has initiated steps to reduce the time taken to develop special economic zones (SEZs) by simplifying procedures to get the tax-free industrial enclaves notified. Accordingly, developers will now be able to get their land classified as an SEZ at the initial stage of approval by submitting legal documents that prove land ownership.

The Budget 2009-2010, included measures which were designed to support the Indian real estate sector. In particular, developers of affordable housing projects (units of 1,000 – 1,500 sq ft) have been granted a tax holiday on profits from projects initiated in the 2007-08 financial year. Such projects would have to be completed before March 1, 2012. The Budget of 2009-2010 also allocated US\$207 million to grant a 1 per cent interest subsidy on home loans up to US\$20,691, provided the cost of the home is not more than US\$41,382. This subsidy is expected to give a further boost to the housing sector. (*Source: India Brand Equity Foundation, www.ibef.org*)

The Residential Segment

Cushman & Wakefield's research estimates that pan-Indian demand for residential housing will be over approximately 7.5 million units by 2013, across all categories including Economically Weaker Sections ("EWS"), affordable, mid- and luxury segments. Further, it is estimated that residential demand for the top seven Indian cities will be approximately 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated by in cities such as Bangalore, Mumbai and NCR. It is estimated that Mumbai is likely to witness the highest cumulative demand of 1.6 million units by 2013 due to various development projects and increased urbanisation in the city. The affordable and mid-segments of the market are likely to constitute 85% of the total residential demand, and will be the primary focus of most developers. (*Source: Cushman & Wakefield: Survival to Revival, 2009*)

The Affordable Housing/Low Cost Housing Segment

Affordable housing is a term used to describe dwelling units whose total housing costs are deemed "affordable" to a group of people within a specified income range. The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing. Families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. The lack of affordable housing is a significant hardship for low-income households, preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families. (*Source: ICICI Property Services, Report on Affordable Housing dated September 2009*)

The National Urban Housing & Habitat Policy 2007 as well as the Eleventh Five Year Plan remains silent on the actual definition of EWS and Low Income Groups ("LIG") housing (affordable housing); however the generally accepted definitions are a minimum 250 sq. ft. for EWS, a minimum 300 sq. ft. – 325 sq. ft. for LIG and a minimum 650 sq. ft. for Middle Income Groups ("MIG").

A high powered task force on Affordable Housing, comprised of eminent industry leaders, has sought to redefine the parameters to 300-650 sq. ft. for EWS/LIG flats and a maximum carpet area of 1200 sq. ft. for MIG. The key highlights of the recommendations of this committee are:

"Affordable Housing" should be put at the centre of public policy.

Any attempt to fix a definition of affordable housing for a country as large and diverse as India, using the concept of "one-size-fits-all" could be counter-productive. However, the Task Force has suggested the following parameters would be useful:

Size	300-600 sq. ft. carpet area	Not exceeding 1,200 sq. ft. carpet area
EMI/Rent	Not exceeding 30% of gross monthly income	Not exceeding 40% of gross monthly income

The Task Force visualizes the size of the household as five members. (Source: ICICI Property Services, Report on Affordable Housing dated September 2009)

Affordable Housing: Key Parameters/Issues

Location/land cost, amenities, infrastructure, construction cost, unit size and pricing are some of the issues facing affordable housing. The government and the private real estate developers and others have been grappling with these issues to promote affordable housing in India and there have been a number of government initiatives and public private partnerships in this area.

The Commercial Segment

Cushman & Wakefield's research estimates that demand for commercial office space will be 196 million sq. ft. by 2013, with seven major cities, including Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune accounting for approximately 80% of the demand. Established commercial centres are expected to remain slower in growth than their tier 2 counterparts. Cumulative demand among the tier 1 cities of Mumbai, NCR and Bangalore 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 & Wakefield: Survival to Revival, 2009)

The Retail Segment

Cushman & Wakefield's research estimates that cumulative demand for retail space across India will reach 43 million sq. ft. by 2013, of which the top seven cities in India are likely to account for nearly 34.6 million sq. ft. This demand is expected to be concentrated in Bangalore, Mumbai and NCR which will constitute approximately 46% of the total estimated pan-Indian demand between 2009 and 2013. Pune is expected to record the highest compound annual growth (due to the limited stock of operational malls and favourable demographic profile within Pune), whilst Bangalore, Mumbai and NCR are expected to experience the highest demand, together comprising approximately 20 million sq. ft. of retail space. According to the Investment Commission of India, as cited by Cushman & Wakefield's research, organised retail is expected to grow from 5% to 15.5% by 2016, which highlights the potential for pan India expansion amongst retailers. (Source: Cushman & Wakefield: Survival to Revival, 2009)

The Mumbai Real Estate Market

The Residential Segment

The global economic slowdown affecting the Indian economy had a direct bearing upon the residential market which saw a gradual slowdown in investor activities. Monetary measures to curb inflation not only led to an increase in home loan interest rates but also curtailed the availability of funds to real estate developers in second

half of 2008. This, coupled with growing belief that capital values have already peaked and were likely to witness correction, resulted in investors and end-users adopting a wait and watch approach thereby bringing a slowdown in Mumbai residential sector. *(Source: Cushman & Wakefield India Outlook 2009)*

However, Cushman & Wakefield's research indicates that India's economic performance *vis-a-vis* other economies in the past year has encouraged many global investment firms to reconsider India as a potential investment destination.

Their analysis indicates that Maharashtra continues to be the most favoured location for investment amongst the institutional investors followed by the National Capital Region (NCR) and Karnataka, which have also attracted substantial investments. *(Source: Cushman & Wakefield: Survival to Revival, 2009)*

Cushman & Wakefield's research estimates that of the total expected residential demand of 4.5 million units by 2013 across India, 43% is likely to be generated in tier 1 cities, i.e., Bangalore, 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 urbanisation in the city. *(Source: Cushman & Wakefield: Survival to Revival, 2009)*

In 2008, with limited opportunities for development in south and south-central Mumbai, most of the new supply was concentrated in suburban locations in far north Mumbai (Andheri, Goregaon and Malad). *(Source: Cushman & Wakefield India Outlook 2009)*

The Commercial Segment

In 2008, Mumbai witnessed a total supply of approximately 9.48 million sq. ft. which was the highest single year of development in the city in 5 years. However this was still well short of the total anticipated supply in the beginning of the year which was expected to be approximately 18 million sq. ft. The shortfall in supply can be attributed to the constrained availability of finances to real estate developers as well as subdued pre-commitments in upcoming projects from IT/ITeS and BFSI (Banking Financial Services Insurance) sectors, which have been the principal drivers of office space demand in the city. *(Source: Cushman & Wakefield India Outlook 2009)*

Cushman & Wakefield's research notes that cumulative demand among the tier 1 cities of Mumbai, NCR and Bangalore will account for 42% of total demand of office space across India, with Mumbai and NCR accounting for 24 and 25 million sq. ft. of office space demand through 2009-2013, respectively. *(Source: Cushman & Wakefield: Survival to Revival, 2009)*

The IT/ITeS and BFSI sectors continued to remain the principal drivers accounting for 43% and 29% of the total commercial space demand in Mumbai respectively.

In the first half of 2009, commercial office supply across the major cities of India was approximately 24 million sq. ft, of which Mumbai received 4.33 million sq. ft. *(Source: Cushman & Wakefield: Survival to Revival, 2009)*

The Retail Segment

With several brands undergoing an expansion spree, the Mumbai retail market witnessed accelerated retail activity in the beginning of 2008. However by the end of the year, the slump in consumer demand due to increasing inflation and a slowdown in the economy resulted in many brands postponing or cutting short their expansion plans.

With brands increasingly focusing on cost containment, a significant correction in rental values was witnessed across most micro markets in 2008. Additionally brands exhibited a preference for established markets over emerging peripheral locations in order to ensure business viability. *(Source: Cushman & Wakefield India Outlook 2009)*

Cushman & Wakefield's research cites that Bangalore, Mumbai and NCR are all expected to see the highest demand, together comprising approximately 20 million sq. ft. (Source: *Cushman & Wakefield: Survival to Revival, 2009*)

The Pune Real Estate Market

The Residential Segment

In 2008, Pune witnessed a mix of township developments as well as standalone apartment projects. Due to limited availability of land in the central locations, large scale supply was primarily concentrated in the peripheral and suburban locations.

With investors abstaining from the market it was essentially an end users driven demand due to which Pune witnessed a slowdown in demand in 3Q 2008. (Source: *Cushman & Wakefield India Outlook 2009*)

Cushman & Wakefield notes that rental and capital values that post 3Q 2009, rental and capital values are expected to remain stable in most micro markets in short term. However, rental values in North East Pune and Kalyani Nagar are expected to appreciate on account of growing demand from expatriates and corporate. Further, Cushman & Wakefield also notes that with increasing demand for upcoming premium projects at Wanowrie, the capital values in this micro market are likely to witness some appreciation in the short term. (Source: *Cushman & Wakefield: Market Beat – Pune Residential Report 3Q 2009*)

The Commercial Segment

The total supply of commercial office space across Pune was 9.41 million sq. ft. in 2008, recording an increase of approximately 20% over the last year. Approximately 4.1 million sq. ft. of this supply was in SEZs. Peripheral locations were the major contributors adding approximately 62% towards supply, primarily catering to the IT/ITeS sector.

The primary demand driver was the IT/ITeS sector followed by other sectors such as BFSI, shipping and telecommunication. Pune has been witnessing an upward trend in the demand for premium and internationally accredited business centres. Pune recorded overall vacancies in the range of 16-20% in 2008 as compared to 8% the year before due to a combination of factors such as excess supply and lower demand in a slowing market. (Source: *Cushman & Wakefield India Outlook 2009*)

Cushman & Wakefield notes that Pune is expected to witness supply of about 3 million sq. ft. in the next quarter catering mainly to the IT/ITES sector. Post the erosion of rental values over the few months preceding 3Q 2009, developers in certain micro markets were unable to transact below the then current rates. However, Cushman & Wakefield notes that a marginal drop in rentals could be expected in select markets in the short term as developers try and make their projects more attractive. (Source: *Cushman & Wakefield: Market Beat – Pune Residential Report 3Q 2009*)

According to Cushman & Wakefield's research, Hyderabad, Pune and Kolkata are expected to witness the highest compounded annual growth of approximately 28% during 2009-2013, highlighting the growing prominence of tier 2 cities in the India growth story. (Source: *Cushman & Wakefield: Survival to Revival, 2009*)

The Retail Segment

Mall Development

Pune witnessed fresh mall supply of 218,000 sq. ft. in 2008. About 100,000 sq. ft. of anticipated supply for 2008 was deferred. The expected supply in 2009 therefore stands at approximately 995,000 sq. ft. spread across 4 malls. (Source: *Cushman & Wakefield India Outlook 2009*)

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 is helpful for the growth of organised retail segment within the city. (Source: *Cushman & Wakefield: Survival to Revival, 2009*)

The Chennai Real Estate Market

The Residential Segment

Cushman & Wakefield notes that in Chennai, the demand for apartments has progressively increased over the past few years as compared to the traditional independent housing bias that used to be predominant. This is mainly attributable to the investor population and rise in the number of nuclear families, resulting in an increase in the sales for apartments and residential townships announced. (Source: *Cushman & Wakefield India Outlook 2009*)

According to Cushman & Wakefield's research, due to the disparity in launches and delayed supply for mid segment housing, the rental and capital values in majority of locations are expected to remain stable with stronger demand for lease of quality projects offering greater lifestyle amenities. Further, Rajiv Gandhi Salai is expected to see increased rental transactions with quality supply expected in the short term. Additionally, improving physical and social infrastructure has led to better connectivity and quality of life there, leading to the stretch becoming a more attractive location. (Source: *Cushman & Wakefield: Market Beat – Chennai Residential Report 3Q 2009*)

The Commercial Segment

Cushman & Wakefield's research notes that in 3Q 2009, Chennai witnessed total office supply of 2.62 million sq. ft.. The supply in off CBD areas was entry of 20,000 sq. ft. of corporate space, while the CBD continued to witness no new supply. Fresh pre-commitments for the quarter amounted to approximately 100,000 sq. ft., after three quarters of no activity on that front. Fresh absorption for the quarter stood at approximately 880,000 sq. ft. and with no pre-committed absorption the total demand for the quarter stood at approximately 980,000 sq. ft. (Source: *C&W Market Beat – Chennai Office Report 3Q 2009*)

According to Cushman & Wakefield's research, Guindy is expected to continue witnessing significant demand and has the potential to turn into a prominent alternate business district as compared to the CBD. Further, the rental stability in 3Q 2009 is likely to continue only if accompanied by demand revival or significant supply slump especially in the suburban and peripheral regions. (Source: *Cushman & Wakefield: Market Beat – Chennai Office Report 3Q 2009*)

The Retail Segment

In 2008, Chennai continued to witness a dearth of quality retail supply across the city. The city witnessed correction in retail rentals during the fourth quarter of 2008 as economic uncertainty led to a more conservative attitude from both consumers and retailers. (Source: *Cushman & Wakefield India Outlook 2009*)

Cushman & Wakefield notes that food and beverage outlets continued to be the main demand drivers for retail space in 3Q 2009. Retailers preferred to expand within city limits and refrained from venturing into peripheries. Malls in the peripheries are expected to witness weak demand and pre-commitments and so further delays in these projects may occur. (Source: *Cushman & Wakefield: Market Beat – Chennai Retail Report 3Q 2009*)

The Hyderabad Real Estate Market

The Residential Segment

Cushman and Wakefield notes that in 2008, limited land availability for new developments within the city led to large scale developments taking place in suburban and peripheral regions of the city. With the global economic

meltdown dampening overall sales prospects, several property developers in the city resorted to re-pricing of properties to boost sluggish sales and thereby expedite completion of projects with significant bookings by customers. Various projects set for completion during the year were deferred as developers faced liquidity issues. In certain cases, developers even delayed the launch of new projects anticipating passive response from buyers. This was primarily attributed to buyers shying away to make capital commitments given the uncertainties in the economy coupled with overheated property rates making them unaffordable. Fresh residential supply took a back seat as the prime concern with developers was to make prices affordable for a larger mass of potential buyers. (Source: Cushman & Wakefield India Outlook 2009)

Cushman & Wakefield's research notes that demand for the mid segment is expected to see a rise by the end of 2009. Further, developers are adopting strategies such as re-sizing units and providing fewer amenities in new projects with the objective of bringing down the overall cost of ownership for buyers. According to Cushman & Wakefield's research, rental and capital values are expected to remain stable in the coming months. The end user/buyer sentiment is critical in the current market and is also a key parameter to influence the capital values. (Source: Cushman & Wakefield: Market Beat – Hyderabad Residential Report 3Q 2009)

The Commercial Segment

Hyderabad witnessed approximately 3.84 million sq. ft. of fresh supply across all micro markets during 2008 as compared to 4 million sq. ft. witnessed in the previous year. (Source: C&W Outlook 2009)

Cushman & Wakefield's research notes that in 3 Q, 2009, approximately 3 million sq. ft. of new supply was infused during the third quarter of 2009 including 1 million sq. ft. carried forward from the previous quarter. With continued sluggishness in demand, developers regulated the pace of construction resulting in delays. Suburban micro markets accounted for the majority (92%) of the new supply inclusive of SEZ development (approximately 700,000 sq. ft.) at Gachibowli. Prime suburban (4%), CBD (3%) and off CBD (1%) regions formed the balance. (Source: Cushman & Wakefield Market Beat : Hyderabad Office Report - 3Q 2009)

Business

Overview

We are a first generation Indian real estate development company. We started our operations in 2004 and in a period of five years have created a diversified portfolio of real estate development projects mainly in MMR. Our projects are at different stages of development and completion and include residential, retail, commercial and IT/ITES properties. Our investors include IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Fund Scheme – I & III and India Basket Limited, Cyprus (promoted by REAL IS, a part of the German Sparkassenfinanzgruppe).

As at November 30, 2009, we had three Completed Projects with a total Developable Area of 1,437,235.17 sq. ft. and a total Saleable Area of 14,47,436.98 sq. ft. In addition, we had seven Ongoing Projects with a total Developable Area of 8,511,996.39 sq. ft. and a total Saleable Area of 6,450,696.07 sq. ft., eight Forthcoming Projects with a total Developable Area of 26,714,266.72 sq. ft. and a total Saleable Area of 24,955,105.56 sq. ft. and one Proposed Project with a Developable Area of 765,964.49 sq. ft. and a Saleable Area of 765,964.49 sq. ft. As at November 30, 2009, approximately 62.08% of our projects in terms of total Developable Area were located in the MMR and 46.03% of our projects were residential developments.

We develop residential projects, which range from high end to affordable and low cost categories and which are targeted at and sold to high, middle and low income customers. Our affordable and low cost housing is developed under our "Swarajya" brand.

Our key projects are:

- Neptune Evolution Park in Kurla, MMR, an Ongoing commercial project, with energy saving features, centralized air conditioning, eco-friendly and handicap friendly design. It has been designed by Foster + Partners, London and targeted at Indian and International corporate occupiers.
- Magnet Mall in Bhandup, MMR, an Ongoing retail project designed by Forrec, Canada. Part of the completed portion of this project is occupied by Metro Cash & Carry, a German retail company with presence in 30 countries and stores at 544 locations. (source: www.metro.co.in viewed on December 24, 2009)
- Neptune Living Point in Bhandup, MMR, a Completed residential project which was designed by Forrec, Canada offering 2-3 BHK residential flats in six towers of 22 storeys each.
- Neptune Swarajya in Ambivali, Kalyan, MMR, an Ongoing residential project in the affordable housing sector offering 1-2 BHK residential flats priced at less than Rs. 1 million each.

We aim to acquire and develop land that we believe has locational advantages and is reasonably priced. In developing our properties we place an emphasis on architecture, infrastructure, raw materials and facilities and seek to apply aesthetic design techniques and to make the optimum use of available space. We seek to work with international and local architects to create a blend of international as well as Indian architecture. In the past we have engaged international architect firms such as Foster + Partners of London, Forrec of Canada, and Amatrix of Hong Kong, and local firms, such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala.

We also benefit from our Promoters' experience in the real estate sector. Mr. Nayan Bheda, Mr. Nayan Shah and Mr. Sachin Deshmukh, three of our promoters, together with our Chief Financial Officer, have an average experience of 12 years in the real estate business. We benefit from their knowledge of the opportunities in real estate development coupled with their capabilities in various aspects of real estate development from identification and acquisition of land, planning, execution and marketing and maintenance and management of our completed developments.

Our total income on a consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.20 million, Rs. 1,767.49 million, Rs. 4.02 million and Rs. 4.52 million, respectively, and our profit after tax for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.06 million, Rs. 97.49 million, Rs. 25.22 million and Rs. 8.47 million, respectively. Our total income on a standalone basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 54.90 million, Rs. 159.19 million, Rs. 42.78 million and Rs. 23.77 million, respectively, and our profit after tax for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 37.47 million, Rs. 114.53 million, Rs. 25.43 million and Rs. 8.47 million, respectively.

Competitive Strengths

We believe that the following are our key competitive strengths.

Strong presence in the MMR and additional projects in six other key cities

Approximately 62.08% of our Completed, Ongoing, Forthcoming and Proposed Projects in terms of total Developable Area are located in the MMR. We believe that the MMR has a significant shortage of developable open land and that it is a lucrative real estate market in terms of price per square foot. We believe that we have familiarity with and good knowledge of the local market conditions and that this will assist us in identifying developable parcels of land in the MMR in the future. We are also using the experience that we have already gained from developing our projects in the MMR to develop real estate projects in Kochi, Chennai, Hyderabad, Nagpur, Pune and Visakhapatnam. We believe that our real estate projects in other key cities in India will be an important contributor to diversifying our revenue streams in the future.

Diversified portfolio of projects

Our portfolio consists of a broad range of Completed, Ongoing, Forthcoming and Proposed projects focusing on residential, retail, commercial and IT/ITES properties. We develop residential projects in the high end, middle and low cost and affordable categories which are targeted at and sold to customers in high, middle and low income groups. Our retail, commercial and IT/ITES projects are based on a flexible model of build and lease or build and sell and cater to the needs of a diverse domestic and international customer base. The diversified nature of our portfolio and our diverse customer base will enable us to broaden our revenue streams.

Ability to conceptualize and implement new projects at strategic locations

We believe that our ability to conceptualize and implement new projects at strategic locations will be an important contributor to the future development of our business. For example, we recognized Bhandup's locational advantages of good road and rail access to Mumbai's central areas and the direct connectivity of LBS Marg with commercial destinations in Mumbai such as Bandra-Kurla complex and Kalina. We also identified the potential of the Bhandup area to meet the requirements of local and multinational companies in the IT/ITES, banking, finance and other sectors. As a result, we have executed a number of projects in Bhandup - Neptune Living Point, METRO Cash & Carry, Flying Kites and Euclid Towers. We believe that these projects have changed the perception of the Bhandup area and helped to transform it into a destination of choice for our customers.

Similarly we identified the need for affordable housing in the Rs. 1 million or less price range in the MMR and identified Ambivali in Kalyan as a suitable location to meet some of this need. We have a Forthcoming Project at Ambivali and have obtained an in-principle approval from MHADA for the development of an affordable residential project using a PPP model.

Execution track record and the experience of our promoters and management team

We have completed residential, retail and commercial projects in the MMR which, as at November 30, 2009, covered 1,437,235.17 sq. ft. of Developable Area and 1,447,436.9 sq. ft. of Saleable Area. As at November 30, 2009 our Completed residential projects were Harmony in Mulund, MMR with a Developable Area of 76,590.00 sq. ft. and a Saleable Area of 87,200.00 sq. ft. (and which was given an AAA rating for construction quality by Lias Foras, a Mumbai based independent real estate rating agency), and Neptune Living Point in Bhandup, MMR with a Developable Area of 1,094,559.09 sq. ft. and a Saleable Area of 1,094,230.72 sq. ft. As at November 30, 2009, our Completed commercial project was METRO Cash & Carry, completed part of Magnet Mall in Bhandup, MMR, a retail development comprising a Developable Area of 266,086.08 sq. ft. and a Saleable Area of 266,006.25 sq. ft.

We also benefit from our promoters' experience in the real estate sector. Mr. Nayan Bheda, Mr. Nayan Shah and Mr. Sachin Deshmukh, three of our promoters, together with our Chief Financial Officer, have an average experience of 12 years in the real estate business. Their experience in developing projects in addition to projects for our Company includes Neptune Colorscape in Mulund, MMR, consisting of 104 residential apartments, and Flying Colors, a retail development in Mulund, MMR and will be combined with the experience and capabilities of our management team.

Relationships with investors, leading banks, financial institutions and architects

We believe that our relationships with our investors, domestic banks and financial institutions and architects will help us to develop our business. Our investors include real estate investment vehicles such as IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Fund Scheme – I & III, and India Basket Limited, Cyprus (promoted by REAL IS, a part of the German

Sparkassenfinanzgruppe). We believe that our relationships with financial institutions and banks such as HUDCO, Indian Bank, Bank of India, Axis Bank, Oriental Bank of Commerce and Punjab National Bank support us to raise funds for our projects.

We have good working relationships with a number of international architect firms such as Foster + Partners, UK, Forrec, Canada and local architect firms such as Vijay Punjabi, Qutub Mandviwala. For example, Evolution, our Forthcoming Project in Kurla, has been designed by Foster + Partners, Magnet Mall, our Ongoing Retail Project in Bhandup, MMR has been designed by Forrec, and Neptune Swarajya Ambivali, our Ongoing Residential and Retail Project in Ambivili, Kalyan, MMR, has been designed by Qutub Mandviwala. We believe that our good working relationships with these firms are valuable in helping us to develop real estate projects that meet our requirements

Business Strategy

The key elements of our business strategy are as follows:

Continue to focus on developing projects in the MMR

Approximately 62.08% of our Completed, Ongoing, Forthcoming and Proposed Projects are in the MMR in terms of total Developable Area. We expect there to be continued demand, in particular, for residential projects in the MMR and believe that continuing to execute projects in the MMR is critical to our growth strategy. We intend to focus on completing our existing projects in the MMR and on developing new projects as we identify and acquire additional land for projects. We will continue to seek strategic development opportunities in the MMR either on our own or jointly with third parties.

Execute projects nationally

We intend to use our experience in developing projects in the MMR to help us to develop projects in other parts of India. We have Forthcoming Projects in Hyderabad, Pune, Nagpur, Kochi and Visakhapatnam. We intend to focus on executing projects primarily in the residential segment and also in retail and commercial segments in these and other major cities. We will follow the strategy that we have already applied in the MMR of targeting land that we believe to have locational advantages and to be reasonably priced and customers who range from high to low income. We will develop affordable and low cost housing under our Swarajya brand (as is the case already with our projects in Nagpur and Pune). In this regard, we may explore the possibilities of tying up with investors intending to invest in our real estate projects.

Enhanced design and construction capabilities

We plan to outsource a substantial part of the design and construction activities related to our projects to international and domestic firms who specialize in these areas. Our association with international architect firms such as Foster + Partners, Forrec, and Amatrix, and local firms, such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala and their experience and know how helps us to create what we believe are innovative designs. We believe that our association with contractors and consultants such as BL Kashyap, Stup Consultants P. Ltd. and Sterling Engineering Consultancy Services Private Limited will give us access to new technology, materials, tools and processes and that this will help to ensure quality construction.

Enter new business of slum rehabilitation and re-development

We intend to enter the business of slum rehabilitation and redevelopment. These projects involve clearing slum lands owned by the Government or private parties, re-housing affected slum dwellers and redeveloping the cleared land for projects or for other infrastructure purposes. (Source: www.mdmu.maharashtra.gov.in viewed on December 24, 2009) Land occupied by slum dwellers constitutes a significant portion of developable land in Mumbai and rehabilitation projects therefore provide significant opportunities for real estate development in attractive locations. We are one of the joint bidders shortlisted by the Government of Maharashtra for the Dharavi slum rehabilitation project in Mumbai.

Our Land Area

Our total land area comprises the land area allocated to our Ongoing, Forthcoming and Proposed Projects. It consists of lands (a) in relation to which the Company has title, either directly or indirectly through its subsidiaries; (b) in relation to which we have entered into memorandum of understanding/agreements to acquire/letters of acceptance; and (c) for which development agreements have been entered into by the Company.

Sr. No.	Land Reserves Category wise	Land Area (In Million Sq. ft)	% of Total Acreage	Estimated Developable Area (In million Sq. ft)	% of Developable Area	Estimated Saleable Area (In Million Sq. ft)	% of Saleable Area
1	Land owned by the company	2.89	18.79%	10.62	29.49%	7.38	22.94%
	a.) By itself	0.27	1.78%	1.11	3.07%	1.11	3.44%
	b.) Through its Subsidiaries	1.34	8.72%	3.81	10.58%	3.81	11.84%
	c.)Through entities other than (a) & (b) above	1.28	8.28%	5.70	15.83%	2.46	7.66%
2	Land over which the company has sole development rights	6.57	42.65%	11.50	31.96%	10.92	33.93%
	a.) By itself	5.44	35.28%	8.54	23.73%	8.23	25.57%
	b.) Through its Subsidiaries	1.14	7.37%	2.96	8.23%	2.69	8.37%
	c.)Through entities other than (a) & (b) above	-	-	-	-	-	-
3	Memorandum of understanding/ agreements to acquire/letters of acceptance and/ or its group companies are parties	5.94	38.56%	13.87	38.55%	13.87	43.13%
	a) Land Subject to Govt Allocation	-	-	-	-	-	-
	b) Land Subject to Private Acquisition	5.94	38.56%	13.87	38.55%	13.87	43.13%
	Joint Developments with partners						
4	Land for which development agreements have been entered into by:-	-	-	-	-	-	-

	a) By the company directly	-					
	b) Through its Subsidiaries						
	c) Through entities other than (a) & (b) above						
5	Proportionate interest in lands owned indirectly by the company through joint ventures						
	TOTAL	15.41	100%	35.99	100.00%	32.17	100.00%

For further details of our land reserves, please see the section titled "**Our Land Reserves**" beginning on page 91 of this Draft Red Herring Prospectus.

Set forth below is the breakdown of our land area in terms of allocation of land for our projects.

Project Category	Allocated Land Area (sq. ft.)
Completed Projects	1,004,110.41*
Ongoing Projects	2,592,641.94*
Forthcoming Projects	12,419,661.81
Proposed Projects	392,802.30

**It includes land parcel with a total land area of 968,110.41 sq ft in Bhandup and 36,000 sq. ft. of land allocated to the Completed Project Harmony at Mulund, MMR.*

Our Operations

Our business comprises of residential, retail, commercial and IT/ITES projects but our primary focus is the development and sale of residential projects. We develop residential projects in the high end, middle and low cost and affordable categories which are targeted at and sold to customers in high, middle and low income groups. Our retail, commercial and IT/ITES projects are based on a flexible model of build and lease or build and sell and cater to the needs of a diverse domestic and international customer base. We believe that the broad range of our developments and of our customers will enable us to diversify our revenue streams.

As at November 30, 2009, our Completed projects comprised two residential projects and one retail project in the MMR. Our Completed, Ongoing, Forthcoming and Proposed Projects are located in four states, the MMR and six cities in India.

The table below contains details of our Ongoing, Forthcoming and Proposed Projects:

Project	Location	Type	Land Area (sq. ft.)	Developable Area (sq. ft.)	Saleable Area (sq. ft.)	Expected Project Start Date	Expected Project Completion Date	NDPL's % holding in Saleable Area
Ongoing Projects								
Magnet Mall	Bhandup, MMR	Retail	968,110.41 ⁽¹⁾	1,194,491.82	1,194,133.47	Apr 2006	Jun 2010	99.97%
Flying Kite	Bhandup, MMR	Residential		419,711.00	419,585.09	Jun 2009	Mar 2012	99.97%
Euclid Towers	Bhandup, MMR	Residential		1,464,271.91	1,463,832.63	Jan 2010	Dec 2013	99.97%
Element	Thane, MMR	IT	219,515.05	1,390,747.44	632,790.09	Apr 2008	Sep 2010	91.00%
Evolution	Kurla, Mumbai, MMR	Commercial	708,056.49	2,411,887.82	1,109,468.40	Dec 2009	Dec 2012	46.00% ⁽²⁾
Neptune Swarajya	Ambivali, Kalyan, MMR	Residential	696,960.00	1,549,342.08	1,549,342.08	Apr 2009	Dec 2010	100.00%
Neptune Swarajya	Ambivali, Kalyan, MMR	Retail		81,544.32	81,544.32	Apr 2009	Dec 2010	100.00%
Total			2,592,641.94	8,511,996.39	6,450,696.07			
Forthcoming Projects								
Jubilee 800	Tanashanagar, Hyderabad, Andhra Pradesh	Residential	348,697.80	1,896,710.70	722,185.76	Jan 2010	Jun 2012	50.00% ⁽³⁾
Neptune Swarajya	Ambivali, Kalyan, MMR	Residential	5,689,502.28	12,623,555.10	12,623,555.10	May 2010	Jun 2014	100.00%
Neptune Swarajya	Ambivali, Kalyan, MMR	Retail		664,397.64	664,397.64	May 2010	Jun 2014	100.00%
Neptune Swarajya	Pune	Residential	3,675,017.81 ⁽⁵⁾	4,887,773.68	4,887,773.68	Apr 2010	Mar 2015	100.00%
Neptune Swarajya	Pune	Retail		257,251.25	257,251.25	Apr 2010	Mar 2015	100.00%
Neptune Swarajya	Isasani, Nagpur	Residential	766,390.42	923,181.08	738,544.86	Apr 2010	Mar 2012	80.00% ⁽⁴⁾
Neptune 101	Kochi	Residential	1,683,049.50	4,389,840.00	3,989,840.00	Apr 2010	Jun 2014	90.89%
Neptune 101	Visakhapatnam	Residential	257,004.00	1,071,557.27	1,071,557.27	Jun 2010	Mar 2012	100.00%
Total			12,419,661.81	26,714,266.72	24,955,106.56			
Proposed Project								
Neptune 101	Chennai, Tamil Nadu	Residential	392,802.30	765,964.49	765,964.49	Dec 2010	Jan 2014	100.00%
Total			392,802.30	765,964.49	765,964.49			

Notes:

- (1) This land area represents the total land area for all of our Completed and Ongoing Projects in Bhandup
(2) We are developing this project jointly with IndiaREIT Enterprise Holding Limited.
(3) We are developing this project through a joint venture with India Basket in which we hold 20% interest and 50% voting rights
(4) We are developing this project jointly with Revati Construction.
(5) This land area is on contiguous land parcels.

Overview of our Completed Projects

The table below contains details of our Completed Projects.

Project	Location	Type	Land Area (sq. ft.)	Project Start Date	Project Completion Date	NDPL's % holding in Saleable Area
Harmony	Mulund, MMR	Residential	36,000.00	Jan 2003	Jun 2004	99.97%
Neptune Living Point	Bhandup, MMR	Residential	968,110.41*	Apr 2006	Aug 2009	99.97%
Metro-Magnet Mall	Bhandup, MMR	Retail	968,110.41*	Apr 2006	May 2008	99.97%

* This land area represents the total land area for all of our Completed and Ongoing Projects in Bhandup.

Our Completed Residential Projects

Harmony, Mulund, MMR

Harmony is a residential apartment project offering 1-3 BHK units covering 36,000 sq. ft. of land located near LBS Marg in Mulund (West), MMR. This project consists of 125 flats in two towers of seven storeys each and one tower of 15 storeys.

This project was developed by Neptune Enterprises, a partnership firm, in which three of our Promoters were partners. The construction of this project was completed in June 2004. Our Company became a partner in this partnership firm in April 2005. In January 2009, Neptune Enterprises was converted to a private limited company, Neptune Ventures and Developers Private Limited, which is one of our Subsidiaries.

Harmony was rated "AAA" by Liases Foras, an independent real estate rating agency. This project was designed by Qutub Mandviwala.

Amenities offered to residents include play areas, recreational facility, common and individual parking space, fire fighting system and double height entrance lobby.

Neptune Living Point, Bhandup, MMR

Neptune Living Point is a residential project offering 2-3 BHK developed on 968,110.41 sq. ft. of land located on LBS Marg, Bhandup, MMR with 1,094,559.09 sq. ft. of Developable Area and 1,094,230.72 sq. ft. of Saleable Area. It is located on the main arterial road in Bhandup at LBS Marg, and is in close proximity from Eastern Express Highways, the airport and the railway station. This project consists of 610 flats in six towers of 22 storeys each.

We completed Neptune Living Point in two parts with three towers completed in each part. We commenced the construction of 308 flats in three towers of 22 storeys each in April 2006 and completed construction in April 2009. We commenced the construction of the next part consisting of 302 flats in three towers of 22 storeys each in August 2006 and completed construction in August 2009. All of the apartments in Neptune Living Point have been sold.

This project was designed by Forrec of Canada.

This development has been based on the theme of hill station living in the central suburbs of Mumbai. Amenities include a swimming pool, gymnasium, indoor games, children's play park, jogging track and podium parking space.

Our Completed Retail Projects

METRO Cash & Carry, Magnet Mall, Bhandup, MMR

METRO Cash & Carry ("Metro"), a part of Magnet Mall, is a retail project located on LBS Marg, Bhandup, MMR with 266,086.08 sq. ft. of Developable area and 266,006.25 sq. ft. of Saleable Area. It is located on the main arterial road in Bhandup, LBS Marg, and is close to Eastern Express Highways, the airport and the railway station.

Metro is the completed and operational project forming part of the Magnet Mall plot, which is also the site of our Ongoing Projects in Bhandup, Mumbai (see "**Our Ongoing Commercial Projects—Magnet Mall, Bhandup**" for a description of Magnet Mall).

This project was designed by Forrec of Canada.

We completed the construction of this project in May 2008 and sold it to Metro, a German company engaged in international wholesale and retail businesses. The floors are interconnected by escalators, travelators and elevators, and the whole facility has been developed in line with Metro's international standards.

Overview of our Ongoing Projects

The table below sets forth certain key information relating to our Ongoing Projects.

Project Name	Location	Type	Land Area (sq. ft.)	Developable Area (sq. ft.)	Saleable Area (sq. ft.)	Project Start Date	Expected Completion Date	NDPL's % holding in Saleable Area
Magnet Mall	Bhandup, MMR	Retail	968,110.41*	1,194,491.82	1,194,133.47	Apr 2006	Jun 2010	99.97%
Flying Kite	Bhandup, MMR	Residential		419,711.00	419,585.09	Jun 2009	Mar 2012	99.97%

Euclid Towers	Bhandup, MMR	Residential		1,464,271.91	1,463,832.63	Jan 2010	Dec 2013	99.97%
Element	Thane, MMR	IT	219,515.05	1,390,747.44	632,790.09	Apr 2008	Sep 2010	91.00%
Evolution	Kurla, MMR	Commercial	708,056.49	2,411,887.82	1,109,468.40	Dec 2009	Dec 2012	46.00%
Neptune Swarajya	Ambivali, Kalyan, MMR	Residential	696,960.00	1,549,342.08	1,549,342.08	Apr 2009	Dec 2010	100.00%
Neptune Swarajya	Ambivali, Kalyan, MMR	Retail		81,544.32	81,544.32	Apr 2009	Dec 2010	100.00%
Total			2,592,641.94	8,511,996.39	6,450,696.07			

* This land area represents the total land area allocated to all of our projects in Bhandup.

Our Ongoing Residential Projects

Flying Kite, Bhandup, MMR

Flying Kite is a residential project offering 2 - 3 BHK units with an area of 968,110.41 sq. ft. located on LBS Marg, Bhandup, MMR adjacent to Neptune Living Point, Neptune Magnet Mall and Euclid Towers with 419,711.00 sq. ft. of Developable Area and 419,585.09 sq. ft. of Saleable Area.

We commenced the construction of this project in June 2009 and expect to complete construction by March 2012.

Upon completion of construction, this project will consist of 232 flats in two towers of 30 storeys each. As on November 30, 2009 we have booked and received advance deposits for 135 flats in this project.

This project has been designed by Abhikalpan.

Amenities to be offered to residents will be entrance lobby, parking space, club house with swimming pool, jogging track and gymnasium.

Euclid Towers, Bhandup, MMR

Euclid Towers is a residential project offering 3 - 5 BHK units with an area of 968,110.41 sq. ft. located adjacent to Neptune Living Point, Neptune Magnet Mall and Flying Kite, and with 1,464,271.91 sq. ft. of Developable Area and 1,463,832.63 sq. ft. of Saleable Area.

We expect to commence the construction of this project in January 2010 and expect to complete construction by December 2013. Upon completion of construction, this project will consist of 121 flats in a tower of 50 storeys and 50 flats in two towers of 30 storeys each.

This project has been designed by Forrec.

Amenities to be offered to residents will include an indoor swimming pool, state of the art gymnasium, lockers, showers and changing rooms, an entrance lobby, a juice bar, a library and a yoga or meditation room.

Neptune Swarajya (Residential), Ambivali, Kalyan, MMR

Neptune Swarajya is a residential project offering 1 - 2 BHK units on 696,960.00 sq. ft. of land in Kalyan, Maharashtra and with 1,549,342.08 sq. ft. of Developable Area and 1,549,342.08 sq. ft. of Saleable Area. It is well connected via trains to the business district of south Mumbai to the central railways network. It is also close to Navi Mumbai and Thane business centers.

We commenced the construction of this project in April 2009 and expect to complete construction by December 2010. Upon completion of construction, this project will consist approximately 2,703 residential flats in 40 buildings of 6 to 8 storeys each. We have commenced the sale of apartments in this project.

This project has been designed by Qutub Mandviwala

Amenities to be offered to residents will be transportation facilities, primary and secondary school in vicinity, shopping at convenient locations, contemporary passenger lifts, and playing areas.

Sales of Ongoing Residential Projects

As at November 30, 2009		
Project	Total number of flats for sale	Total flats booked*
Flying Kite, Bhandup, MMR	232	135
Neptune Swarajya, Ambivali, MMR	2703	1533

*A deposit has been made by prospective investors for the purchase of these flats.

Our Ongoing Commercial Projects

Magnet Mall, Bhandup, MMR

Magnet Mall is a retail project located on 968,110.41 sq. ft. of land adjacent to Neptune Living Point, Flying Kites and Euclid Towers and comprises 1,194,491.82 sq. ft. of Developable Area and 1,194,133.47 sq. ft. of Saleable Area.

We expect to complete the construction of this project by June 2010. Upon completion of construction, this project will consist of 5 storeys (including the ground floor) of retail space. We sold 266,086.08 sq. ft. of Developable Area and 266,006.25 sq. ft. of Saleable Area of Magnet Mall to Metro in 2008.

Magnet Mall has been designed by Forrec and has a large single frontage and a car parking facility for approximately 1,500 cars.

Amenities to be offered include four atriums with wide passages and seating arrangements, central air conditioning, event space, multiplex, and a family entertainment center.

Element, Thane, MMR

Element is an IT/ITES project located on 219,515.04 sq. ft. of land in Wagle Industrial Estate, Thane, with 1,390,747.44 sq. ft. of Developable Area and 632,790.09 sq. ft. of Saleable Area.

We commenced the construction of this project in April 2008 and expect to complete construction by September 2010. Upon completion of construction, this project will consist of a four storey tower and an eleven storey tower. Element has been designed by Amatrix.

Wagle Industrial Estate is located in Thane with access to the express highway and benefits from the presence of business process outsourcing and software companies, developed infrastructure facilities, proximity to the Mumbai city, and access to skilled manpower and green surroundings. Element will be targeted at both domestic and international companies in the IT/ITES sector.

Amenities will include common green areas, contemporary passenger lifts and a lobby.

Evolution, Kurla, MMR

Evolution is a commercial project located on 708,056.49 sq. ft. of land in Kurla, MMR, with 2,411,887.82 sq. ft. of Developable Area and 1,109,468.40 sq. ft. of Saleable Area. Evolution is located near Kamani Nagar, LBS Marg, Kurla and is in close proximity from Bandra Kurla Complex, one of the business districts in Mumbai.

We are developing this project through our associate Neptune Realtors Private Limited, which has received private equity investment from IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Scheme – I. For further details on this investment, please see section titled "**History and Certain Corporate Matters**" beginning on page 109 of this Draft Red Herring Prospectus.

Construction of this project commenced in December 2009 and is expected to be completed by December 2012.

This project has been designed by Foster + Partners.

Evolution will have energy saving and eco friendly features and handicap friendly design. For example, the facade of the building will consist of glass of low heat gain values to save electrical consumption.

We believe that Evolution will be a prestigious project for our Company and will be developed with an objective to achieve a premium lease rental. We will target domestic and international corporate tenants.

Amenities will include centralized air conditioning, escalators and elevators, 100% power backup, an auditorium training center, a food court, restaurants and a health centre within the complex

Neptune Swarajya (Retail), Ambivali, Kalyan, MMR

Neptune Swarajya, Ambivali is a retail project located on 696,960.00 sq. ft. of land in Ambivali, Kalyan, Maharashtra with 81,544.32 sq. ft. of Developable Area and 81,544.32 sq. ft. of Saleable Area.

We commenced the construction of this project in April 2009 and expect to complete construction by December 2010. Upon completion of construction, this project will consist of approximately 69 retail units.

This project has been designed by Qutub Mandviwala.

This project is planned to be a convenient shopping center for the residents of Neptune Swarajya, Ambivali residential project.

Overview of our Forthcoming Projects

The table below sets forth certain key information relating to our forthcoming projects.

Project	Location	Type	Land Area (sq. ft.)	Developable Area (sq. ft.)	Saleable Area (sq. ft.)	Expected Project Start Date	Expected Project Completion Date	NDPL's % holding in Saleable Area
Jubilee 800	Tanashanagar, Hyderabad	Residential	348,697.00	1,896,710.70	722,185.76	January 2010	June 2012	50%
Neptune Swarajya	Ambivali, Kalyan, MMR	Residential	5,689,502.28*	12,623,555.10	12,623,555.10	May 2010	June 2014	100%
Neptune Swarajya	Ambivali, Kalyan, MMR	Retail		664,397.64	664,397.64	May 2010	June 2014	100%
Neptune Swarajya	Pune	Residential	3,675,017.81*	4,887,773.68	4,887,773.68	April 2010	March 2015	100%
Neptune Swarajya	Pune	Retail		257,251.25	257,251.25	April 2010	March 2015	100%
Neptune Swarajya	Isasani, Nagpur	Residential	766,390.42	923,181.08	738,544.86	April 2010	March 2012	80%
Neptune 101	Kochi	Residential	1,683,049.50	4,389,840.00	3,989,840.00	April 2010	June 2014	90.89%
Neptune 101	Visakhapatnam	Residential	257,004.00	1,071,557.27	1,071,557.27	April 2010	March 2012	100%
Total	-	-	12,419,661.81	26,714,266.72	24,955,106.56	-	-	-

* Contiguous land parcels

Our Forthcoming Residential Projects

Jubilee 800, Hyderabad, Andhra Pradesh

Jubilee 800 will be a residential project offering 2 - 3 BHK units on 348,697.80 sq. ft. of land in Tanashanagar, Hyderabad with 1,896,710.70 sq. ft. of Developable Area and 722,185.76 sq. ft. of Saleable Area.

We shall commence the excavation for this project in January 2010 and expect to complete construction by June 2012. Upon completion of construction, this project will consist of 810 flats in six interconnected towers of 10 storeys each.

Amenities to be offered to residents will include Vastu (a system of architecture based on directional alignment) based plans, a swimming pool, club house, children's play area, ample parking space, podium and landscape garden with tennis court and badminton court.

We will be developing this project through our associate Neptune Enclave Private Limited, which has received private equity investment from India Basket Limited, Cyprus. For further details on this investment, please see section titled "**History and Certain Corporate Matters**" beginning on page 109 of this Draft Red Herring Prospectus.

Neptune Swarajya, Ambivali, Kalyan, MMR

Neptune Swarajya, Kalyan will be a residential project offering 1- 2 BHK units on 5,689,502.28 sq. ft. of land in Kalyan, Maharashtra, with 12,623,555.10 sq. ft. of Developable Area and 12,623,555.1 sq. ft. of Saleable Area.

We expect to commence the construction of this project by May 2010 and complete construction by June 2014. Upon completion of construction, this project will consist of 16,350 flats in 327 buildings of 6 to 8 storeys each.

Amenities to be offered to residents will include transportation facilities, primary and secondary school facilities, shopping facilities at convenient locations, contemporary passenger lifts, and playing areas.

Neptune Swarajya, Pune, Maharashtra

Neptune Swarajya, Pune will be a residential project offering 1- 2 BHK units on a contiguous parcels of 3,675,017.81 sq. ft. of land in Pune, Maharashtra, approximately 500 meters from the Katraj-Kondhwa road, with 4,887,773.68 sq. ft. of Developable Area and 4,887,773.68 sq. ft. of Saleable Area.

We expect to commence the construction of this project by April 2010 and complete construction by March 2015.

The project will be developed under the Special Township Plan under the Maharashtra Regional and Town Planning Act, 1966.

Amenities to be offered to residents will include transportation facilities, primary and secondary school facilities, shopping facilities at convenient locations, contemporary passenger lifts, and playing areas.

Neptune Swarajya, Nagpur, Maharashtra

Neptune Swarajya, Nagpur will be a residential project offering 1, 2 and 2 1/2 BHK units, on 766,390.42 sq. ft. of land in Nagpur, Maharashtra near the Mihan Industrial Hub with 923,181.08 sq. ft. of Developable Area and 738,544.86 sq. ft. of Saleable Area.

We expect to commence the construction of this project by April 2010 and complete construction by March 2012. Upon completion of construction, this project will consist of 1,720 flats in 32 towers of 10 storeys each.

Amenities to be offered to residents will include transportation facilities, shopping facilities at convenient locations, contemporary passenger lifts, and playing areas.

Neptune 101, Kochi, Kerala

Neptune 101, Kochi will be a residential project offering 2 - 3 BHK units on 1,683,049.50 sq. ft. of land in Kadugalloor, Aluva, Kochi, Kerala with 4,389,840.00 sq. ft. of Developable Area and 3,989,840.00 sq. ft. of Saleable Area.

We expect to commence the construction of this project by April 2010 and complete construction by June 2014. Upon completion of construction, this project will consist of 3,794 flats in 38 towers of 14 - 25 storeys.

Amenities to be offered to residents will include swimming pool, gymnasium, indoor games, children's play park, jogging track and podium parking space.

Neptune 101, Visakhapatnam, Andhra Pradesh

Neptune 101, Visakhapatnam will be a residential project offering 2 - 3 BHK units on 257,004.00 sq. ft. of land in Madhurwada, Visakhapatnam, Andhra Pradesh, with 1,071,557.27 sq. ft. of Developable Area and 1,071,557.27 sq. ft. of Saleable Area. Neptune 101, Visakhapatnam is located at distance of 2.50 km from NH-5 and the Visakhapatnam – Bheemili Beach Road.

We expect to commence the construction of this project by June 2010 and complete construction by March 2012. Upon completion of construction, this project will consist of 581 flats in eight interconnected towers of 10 storeys each.

Amenities to be offered to residents will include swimming pool, gymnasium, indoor games, children's play park and podium parking space.

Our Forthcoming Retail Projects

Neptune Swarajya (Retail), Ambivali, Kalyan, MMR

Neptune Swarajya, Ambivali will be a retail project located on 5,689,502.28 sq. ft. of land in Ambivali, Kalyan, Maharashtra with 664,397.64 sq. ft. of Developable Area and 664,397.64 sq. ft. of Saleable Area.

We expect to commence the construction of this project by May 2010 and complete construction by June 2014.

It is planned to be a convenient shopping center offering daily essentials to the residents of the forthcoming residential project.

Neptune Swarajya, Ambivali has been designed by Qutub Mandviwala.

Neptune Swarajya (Retail), Pune, Maharashtra

Neptune Swarajya, Pune will be a retail project located on contiguous parcels of 3,675,017.81 sq. ft. of land in Pune, Maharashtra with 257,251.25 sq. ft. of Developable Area and 257,251.25 sq. ft. of Saleable Area.

We expect to commence the construction of this project by April 2010 and complete construction by March 2015.

Our Proposed Project

The following is our Proposed Project.

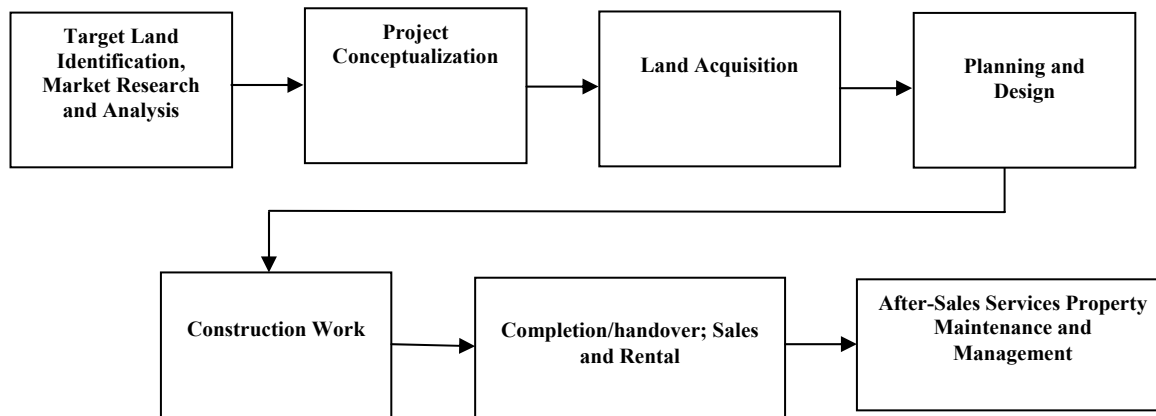
Neptune 101, Chennai, Tamil Nadu

Neptune 101, Chennai a residential apartment offering 2 - 3 BHK on 392,802.30 sq. ft. of land in Chennai, near Ponnammallee bypass, Chennai, Tamil Nadu, with 765,964.49 sq. ft. of Developable Area and 765,964.49 sq. ft. of Saleable Area.

We expect to commence the construction of this project by December 2010 and complete construction by January 2014.

Property Development and Execution Methodology

The following is a summary of the key aspects of our property development project and execution methodology.



Land Identification, Market Research and Analysis

We believe that site selection is one of the key factors in determining the success of a new project. Accordingly, we place a strong emphasis on selecting what we believe are the best locations for our projects. We commence project conceptualization after site selection is completed. Our site selection process is led by our senior managers, supported by external consultants and

brokers. We conduct market research and analysis and apply the experience and knowledge of our management team in selecting real estate for development.

We select sites for our projects based on a variety of factors including:

- demographic and marketing studies conducted by the Company or by third parties;
- suitability for development within one to six years from the date of commencement of the development process;
- suitability of the site for the project conceptualized by us;
- financial review as to the feasibility of the proposed project, including profit margins and return on capital employed;
- our ability to secure statutory permissions, approvals and entitlements;
- environmental and legal due diligence;
- competition in the area;
- proximity to local traffic corridors and amenities;
- profile of the inhabitants in the location and infrastructure facilities; and
- management's judgment as to the real estate market and economic trends and our experience in a particular market.

Land Acquisition

We generally purchase land for our projects either through direct negotiations with the vendor or through a competitive bidding process once we have a project at the concept stage of its development. Once we or our broker has identified the land for acquisition by us and we have ascertained the feasibility of developing the property, our acquisition team starts the process of negotiating with the vendor. A broker often works as the intermediary for setting up the initial communication between the vendor and our team.

Legal and Regulatory

Once identified the property is referred to our legal department, for preliminary due diligence. Our legal department reviews the property documents to determine if the property is free from disputes and encumbrances, to ensure that the vendor has a clear and marketable title to the property and to determine which regulations, consents and approvals will be required for the proposed development. The legal department then submits a due diligence finding to our management who decide whether the project should be pursued.

After the in-house review of title documents, external and independent solicitors are engaged for their independent opinion.

Financing

The financing structure for our development projects is typically determined as part of our overall project feasibility exercise. Our project financing is arranged from a mix of internal resources, secured and unsecured debt, dilution of equity shares and proceeds from pre-sales.

Acquisition of Title or Development Rights

We generally enter into a memorandum of understanding with the owner/vendor to signify our interest in the real estate. We may at the same time make a part payment to confirm our intent to develop the property. The memorandum of understanding sets forth, amongst other things, the conditions subject to which a final agreement between the parties can be signed. We may also obtain a limited power of attorney from the landowner, which enables us to initiate the process of applying for and obtaining the required approvals from the relevant regulatory authorities. Upon completion of the negotiations, we enter into a final agreement with the owner/vendor. Occasionally this may be in the nature of a development agreement whereby we obtain the rights to develop the property without obtaining its ownership, but generally will be in the form of a deed of conveyance, when we acquire the freehold of the property, or a deed of assignment in cases where the property is a leasehold land. This agreement is signed subject to fulfillment of the conditions stated in the memorandum of understanding.

Some of our projects are held in special purpose vehicles and some in joint ventures. Additionally, some of our projects are initially held directly which gives us the flexibility to place them in special purpose vehicles in the future, depending on our funding arrangements.

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 upfront 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.

Design and Planning

We engage international and local architects and consultants for specific projects. We have been successful in attracting some internationally renowned firms of architects and consultants to work on our projects. The firms that we use include Foster + Partners, a UK based firm of architects which has designed many landmark buildings (such as the Beijing and Hong Kong airports and the HSBC headquarters in Hong Kong), Forrec, a Canada based planning and design firm, and Amtrix, a Hong Kong based firm of architects. These firms help us meet the international planning and design standards that we seek for our projects. We also work with local architects such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala in our concept design. Our aim is to work with international and local firms on the evolution of a modern style of Indian architecture which is blend of international as well as Indian architecture.

We also work with road and logistics consultants, environmental consultants, structural consultants and other professionals on the design and planning of our projects. They also help us to meet the international planning and design standards that we require for our projects. In addition, we use international consultants such as Stup Consultants P. Limited depending on the requirements of the project.

At the initial stage, the concept plan delineates the new project's general concept and theme, the possible division of the land for residential and commercial purposes and the likely plot ratios. The concept plan is generally amended and refined over time as a result of further discussions with our team of outside consultants, in particular professional planners, engineers, quantity surveyors and architects. We also conduct a financial analysis during this phase to assess the returns we can expect to generate from the potential project. The end result of this whole process will be contained in a detailed development layout plan.

Once the design and the estimates for the project have been finalized, we set up a project team under the supervision of a member of our management team who will be the central coordinating person for the project and who will report to the senior management of our Company.

Construction Work

We rely primarily on external contractors for the construction of our properties. We generally select our contractors through one-to-one negotiations or through a tender and competitive bidding process. Our selection of a contractor is based on the contractors' reputation, track record, the experience of relevant project team members, ability to complete the project in a timely manner and cost competitiveness.

Generally, we will also outsource project management functions to external firms and they will manage and coordinate the work of the various contractors on the project, although our in-house project management team oversees the construction of some of our property developments. We conduct regular site visits and have developed a system of internal reporting for monitoring the status and stage of all the projects. The external and in-house project management teams ensure that the construction of our properties progress in a timely manner and that construction is to a high standard. Construction work is constantly monitored through regular on-site inspections and progress reports.

For each project we use a central coordinating person and a separate monitoring team to be focused on the particular project. For example, the Neptune Swarajya project will have a different coordinator and monitoring team from the Neptune Evolution project. All of the project coordinators are in turn centrally coordinated by our directors.

We procure major raw materials such as steel, cement, wood and aluminum for our projects from our established network of local and national vendors and laboratory test some of these materials to ensure that they meet our required standards. We are not dependent on any single contractor, builder or supplier for our construction activities.

Marketing and Sales

We believe that effective marketing is critical to the success of our projects and so place a significant emphasis on the marketing of our projects. We have a dedicated in-house marketing team with 18 full-time employees. Additionally, we engage

external marketing consultants, including international marketing firms such as Word Search and Bounce, to formulate and implement our marketing strategy. Word search is an architectural marketing firm based in the UK with in excess of 20 dedicated architects marketing premium real estate developments in various parts of the world. We also utilize domestic sales agents and international property consultants to market our properties. These agents and consultants are generally active in Mumbai and other parts of India and receive a standard commission for the sales they achieve.

We also have relationships with various banks and housing finance institutions which provide credit facilities to our customers.

We use a mix of strategies to market and sell our projects depending on whether the project is a residential or retail or commercial project. Our marketing and sales initiatives include, but are not limited to, advertisements in newspapers, magazines and outdoor advertising boards. In addition, we participate in real estate exhibitions, local and international roadshows and also set up show units and on-site sales centers. To achieve our objectives, our marketing and sales team works closely with advertising agencies, design houses, print media companies and event coordinators.

Completion and Handover

Once a property is completed we will transfer the title or leasehold rights as the case may be. In case of residential projects, we will transfer the title or leasehold rights to a society formed by flat-owners of the relevant project. For commercial projects, we lease or sell the properties to our customers. Generally we ensure that the entire consideration is paid to us prior to the transfer of title or possession is handed over. Generally, we receive a proportion of the purchase price for property sold at the time of booking, and the rest through installments over the construction period until possession. If the property is leased, we generally receive a security deposit together with advance rent from the tenants.

Pre-Sales, Sales and After-Sales Services

In line with market practice, we generally conduct pre-sales (i.e. selling property in advance of our construction completion) of our developments, in accordance with applicable laws.

We set sale prices for our properties after taking into account local market trends, the costs of development, expected investment returns and prevailing supply and demand conditions. We sell our homes to a broad range of customers from high through middle income group customers to customers with low cost housing requirements and the prices of our homes will vary accordingly. We adopt a standard contract to be entered into between us and the purchaser in each of our developments. This will specify, amongst other terms, the built-up area of the property sold, purchase price, method and manner of payment and the date and manner of delivery of the completed property.

Delivery of our completed properties is generally subject to the following requirements: related basic facilities, including water and electricity, are available for delivery and use; common areas and basic facilities like electricity, water and other internal amenities to make it habitable are available for use; developed units have been completed, inspected and accepted; and we have received a certificate of completion and compliance from the local authorities as appropriate.

Property Management and Maintenance

We provide property management and maintenance services in relation to our completed projects, typically for a period of two years from the date of completion of construction. Examples of such maintenance and management services include power distribution, back-up power generation for common area and utilities, central air conditioning, water supply, drainage, pumping, security services, parking management, pest control, fire detection and solid waste disposal. We outsource most of these operations to qualified and experienced suppliers.

Competition

The real estate development market in India, while fragmented, is highly competitive. We face competition from real estate developers such as Ackruti City, DB Realty, Lodha Developers, HDIL, Mahindra Lifespaces, Kumar Builders and other developers in areas in which our projects are located. Our developments typically face competition from other similar properties in their immediate vicinity as well as properties in other geographical regions. The principal competitive factors affecting our developments generally include the product type, product mix, design structuring of the projects, the location of the properties, the marketing strategies, pricing scheme adopted by the developers, and the timing of the launch of the property projects. In the residential sector brand will also be important – some purchasers will like and therefore follow the work of a particular developer. The level of competition is also affected by, among other factors, changes in local, regional or global

economic conditions, the supply and demand of the properties, the economic viability of tenants and changes in consumer patterns and preferences.

Employees

Our employees contribute significantly to our business operations. As at November 30, 2009, we had 173 employees across our Company and subsidiaries. We place a significant emphasis on the recruitment and retention of our personnel and provide continuous training for employees on their functional fields. For instance, we provide training to our sales personnel through Samsika Marketing Consultancy Private Limited. We also provide SAP training to our account personnel as we have recently upgraded our IT systems.

Set forth below is a table of our employees across our Company and our Subsidiaries as on November 30, 2009.

Sr. No	Functions	As at November 30, 2009
1	Management	6
2	Sales and Marketing	18
3	Operations and Technical	75
4	Legal and Liaisoning	16
5	Architecture	2
6	Others	56
	Total	173

Insurance

Our operations are subject to risks inherent in the real estate development industry, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate and consistent with industry standards.

We obtain comprehensive insurance coverage for each project during its construction phase. Our insurance coverage for each project includes insurance against fire and related risks and earthquakes. However, we do not maintain directors' and officers' liability insurance, nor any insurance for loss of profit, if any, suffered by us or any of our customers.


Quality Assurance

We apply quality control standards and procedures at various stages of our property development activities. We outsource certain of our quality assurance and project monitoring activities to other companies and also have an in-house quality control team and a laboratory to test materials that we use in our construction. Our quality control team and the companies to which we outsource quality assurance and project management activities monitor our projects in terms of quality of construction, technical findings and defects inspection and ensure that projects constructed and delivered are in accordance with contract specifications and our internal guidelines.

Intellectual Property Rights

Mr. Nayan Bheda and Mr. Sachin Deshmukh own the trademark "Neptune Group". Mr. Nayan Bheda and Mr. Sachin Deshmukh have licensed the trademark "Neptune Group" in favour of our Company, Neptune Developers Limited, through the trademark license agreement dated December 18, 2009.

In addition to the aforesaid, we have applied to the Trademark Registry, Government of India for registration of the following trademarks under the provisions of the Trademark Act, 1999 and the Trademark Rules, 2002:

S. No.	Approval sought	Issuing Authority	Reference	Date of application
(i)	Registration for Neptune Swarajya logo  in class 37	Trademarks Registry, Mumbai	1856016	August 28, 2009
(ii)	Registration for Khud Ka Ghar logo	Trademarks Registry, Mumbai	1856017	August 28, 2009

	<i>Khud ka Ghar</i> in class 37			
(iii)	Registration for Khud Ka Ghar logo <i>खुद का घर</i> in class 37	Trademarks Registry, Mumbai	1856018	August 28, 2009

Information Technology

We seek to use the latest and/or updated IT systems to maintain our data integrity and reliability. We see information technology as an important component of our execution and delivery model. We use SAP controlled and operated ERP systems for some of our subsidiaries to deliver better products for our customers and are in the process of implementing these systems across all of our subsidiaries.

Health, Safety and Environment

As a real estate development company, we are required to comply with various laws and regulations relating to the environment. We obtain approvals from various environmental agencies to ensure that our real estate projects meet the requisite environmental laws and regulations.

We are committed to ensuring that high standards of health and safety are maintained in our business and that our real estate projects comply with applicable laws and regulations.

Corporate Social Responsibility

We engage in various corporate social activities. These include developing homes for the elderly, developing charitable guest houses and educational facilities, providing day care facilities including mobile crèches for the children of our construction workers and providing counseling facilities to rural youth and less privileged sections of society.

Registered Office and Properties

Our Registered Office is located at 3rd Floor, Karmastambh building, opposite MTNL Office, LBS Marg, Vikroli (W), Mumbai – 400 083. Our Registered Office has a total area of 13,551 sq. ft. and, as at date. The details of various units leased by us are as follows:

Name of Lessor	Area (in sq. ft.)	Commence date	Expiry Date
Pranay Leasing & Finance Limited	2,712	April 1, 2007	December 31, 2009 [#]
Shri Jatinder Singh Nagi & Shri Harvinder Singh Nagi	2,712	July 1, 2007	March 31, 2010
Pranay Leasing & Finance Limited	782	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	867	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	1,866	August 1, 2007	April 30, 2010
Pranay Leasing & Finance Limited	1,699	October 1, 2007	June 30, 2010
Pranay Leasing & Finance Limited	783	January 1, 2008	September 30, 2010
Pranay Leasing & Finance Limited	1,030	January 1, 2008	September 30, 2010
Smt Rajnaben Kantilal Savla	1,100	January 1, 2008	September 30, 2011
Total	13,551		

[#] will be renewed on expiry

Litigation

We are involved in certain litigation proceedings. For details of litigation against us, see section headed "**Outstanding Litigation and Material Developments**" beginning on page 201 of this Draft Red Herring Prospectus.

Our Land Reserves

Sr. No.	Land Reserves Category wise	Land Area (In Million Sq. ft)	% of Total Acreage	Estimated Developable Area (In million Sq. ft)	% of Developable Area	Estimated Saleable Area (In Million Sq. ft)	% of Saleable Area
1	Land owned by the company	2.89	18.79%	10.62	29.49%	7.38	22.94%
	a.) By itself	0.27 ^{(1), (2)}	1.78%	1.11	3.07%	1.11	3.44%
	b.) Through its Subsidiaries	1.34	8.72%	3.81	10.58%	3.81	11.84%
	c.) Through entities other than (a) & (b) above	1.28 ^{(3), (4)}	8.28%	5.70	15.83%	2.46	7.66%
2	Land over which the company has sole development rights	6.57	42.65%	11.50	31.96%	10.92	33.93%
	a.) By itself	6.57 ^{(5), (6)}	42.65%	11.50	31.96%	10.92	33.93%
	b.) Through its Subsidiaries	-	-	-	-	-	-
	c.) Through entities other than (a) & (b) above	-	-	-	-	-	-
3	Memorandum of understanding/ agreements to acquire/letters of acceptance and/ or its group companies are parties	5.94	38.56%	13.87	38.55%	13.87	43.13%
	a) Land Subject to Government Allocation	-	-	-	-	-	-
	b) Land Subject to Private Acquisition	5.94	38.56%	13.87	38.55%	13.87	43.13%
	Joint Developments with partners						
4	Land for which development agreements have been entered into by:-	-	-	-	-	-	-
	a) By the company directly	-					
	b) Through its Subsidiaries						

	c) Through entities other than (a) & (b) above						
5	Proportionate interest in lands owned indirectly by the company through joint ventures						
	TOTAL	15.41	100%	35.99	100.00%	32.17	100.00%

⁽¹⁾ The sale deed for land situated at Vishakhapatnam is yet to be executed.

⁽²⁾ In addition to the land acquired at Chennai, our Company has also entered into a MoU dated March 13, 2008 with a land aggregator to acquire 2.29 million square feet of land.

⁽³⁾ The sale deed for land situated at Hyderabad is yet to be executed.

⁽⁴⁾ We have acquired the land situated at Thane in joint ownership with M/s. Dosti Corporation in terms of the Joint Development Agreement dated March 14, 2008 duly adopted vide Adoption Agreement dated May 07, 2008. Further, the said property has been mortgaged by way of Indenture of Mortgage dated June 17, 2008. The said property is a leasehold property. The total lease period remaining on the said parcels of land is 54 years on plot no. F-3 and 49 years on plot no. F-3/1.

⁽⁵⁾ We have acquired development rights over certain parcels of land situated at Ambivali through third party who has further entered into MoUs with land owners.

⁽⁶⁾ The Company has entered into an unregistered assignment agreement dated December 19, 2009 with its Subsidiaries for the assignment of development rights to the Company. Such Subsidiaries have procured development rights pursuant to their respective development agreements and registered MoUs over various land parcels situated at Kochi.

Description of our Land Reserves:

(1) Land owned by the Company

(1) (a) By itself

The land we own consists of land for which conveyance deed has been executed in our favour or the entire sale consideration has been paid by us and sale deeds would be executed shortly. We own 0.27 million square feet, constituting 1.78% of the total Land Reserves. On the said land, we propose to develop 1.11 million square feet constituting 3.07% of the total Developable Area. For details on associated risks, please see the risk factor, “Land title in India is uncertain and there is no assurance of clean title to our real estate assets”, and “We own less than 25% of our total Land Reserves through ourselves” on pages xxxiii and xviii respectively.

(1) (b) Through its Subsidiaries

The land we own through our Subsidiaries consists of land for which conveyance deeds have been executed in favour of our Subsidiaries. We own, through our Subsidiaries, 1.34 million square feet constituting 8.72% of the total Land Reserves which is owned by way of conveyance deeds. On the said land, we, through our Subsidiaries, propose to develop 3.81 million square feet constituting 10.58% of the total Developable Area. For details on associated risks, please see the risk factor, “Land title in India is uncertain and there is no assurance of clean title to our real estate assets”, on page xxxiii.

(1) (c) Through entities other than (1)(a) and (1)(b) above

The land we own through entities other than (1)(a) and (1)(b) above, consists of land which has been allotted by Hyderabad Metropolitan Development Authority in favour of Neptune Enclave Private Limited, a company in which we hold 20% of the total equity share capital, while the remaining is being held by India Basket Limited, Cyprus, such that 0.1% interest is held by some of our Promoters as our nominees and the remaining is held by India Basket Limited, Cyprus. Through Neptune Enclave Private Limited, we own 0.35 million square feet constituting 2.26% of the total land reserves of the Company. On the said land, we propose to develop 1.90 million square feet constituting 5.27% of the total Developable Area in accordance with Investment Agreement dated February 08, 2008 as executed by and between, *inter alia*, Neptune Enclave Private Limited, the Company and India Basket Limited, Cyprus. For further details on the agreement, please see section titled ‘Other

Material Agreements' on page 96 of this DRHP. For details on associated risks, please see the risk factor, "*Land title in India is uncertain and there is no assurance of clean title to our real estate assets*", on page xxxiii.

Secondly, the land at Kurla, Mumbai is the land for which Neptune Realtors Private Limited has entered into two conveyance deeds dated November 28, 2006 with M/s. Skystar and Aadi Overseas Private Limited, being the Vendors and Neptune Developers Private Limited and Alpex International Limited being the Confirming Parties and dated February 08, 2007 with KEC Infrastructures Limited being the Vendor and Neptune Developers Private Limited and Alpex International Limited being the Confirming Parties. We hold 40% equity interest and the remaining 60% is being held by IndiaReit Offshore Fund and IndiaReit Domestic Fund in Neptune Realtors Private Limited. We own through Neptune Realtors Private Limited, 0.71 million square feet constituting 4.60% of the total land reserves. On the said land, we propose to develop 2.41 million square feet constituting 6.7% of the total Developable Area. For details on associated risks, please see the risk factor, "*Land title in India is uncertain and there is no assurance of clean title to our real estate assets*", on page xxxiii.

Thirdly, we have ownership rights, through entities other than (1)(a) and (1)(b) above, by virtue of development agreement dated March 14, 2008 and Adoption Deed dated May 07, 2008 in the joint names of M/s. Dosti Corporation and M/s. Neptune Developers, a partnership firm wherein our Company has 91% interest in the profit and loss of the said partnership. M/s. Neptune Developers and M/s. Dosti Corporation have been jointly awarded the development rights through which M/s. Neptune Developers has obtained developable rights of 1.39 million square feet and saleable rights of 0.63 million square feet constituting 1.97% of the total saleable area. The said property is a leasehold property. For details on associated risks factors, please see risk factors "*We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entails certain risks.*"; "*We have unlimited liability with respect to matters concerning our partnership firms.*" on pages xviii and xxvi respectively.

(2) *Lands over which the Company has sole development rights*

We have considered such projects to be under sole development rights where we believe we exercise substantial control over the development of the lands.

(2) (a) Directly by the Company

We have acquired sole development rights by entering into various agreements for sale-cum-development agreements and in certain cases, irrevocable powers of attorney with parties having ownership or other interests over land, such as lease and development rights. The Company has paid the entire sale consideration to the respective vendors and has also paid the requisite stamp duty on the said instruments. The Company intends to execute the deeds of conveyance upon receipt of the approval to set up a special township for our said land situated at Pune. We have sole development rights over 3.68 million square feet, constituting 23.86% of the total land reserves. On the said lands, our Company, by itself, proposes to develop approximately 5.15 million square feet, constituting approximately 14.29% of the total Developable Area. For details on associated risks, please see the risk factor "*We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entails certain risks*", on page xviii.

Further, as of October 31, 2009, we have entered into certain development agreements in respect of 0.45 million square feet constituting 2.9% of the total Land Reserves, for the development of 1.04 million square feet constituting 2.9% of the total Developable Area for the land at Ambivali. The third party with whom the Company has entered into development agreement does not own the land directly and has merely executed memorandums of understanding with the actual land owners. The development agreements entered into by us typically provide us the right to oversee the management of the project, right to control the project, and the right to manage the daily affairs of the project. For details on associated risk, please see the risk factors "*We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entails certain risks.*" and "*Our joint development partners and associates may not perform their obligations satisfactorily.*" on pages xviii and xx respectively.

We have entered into a development agreement in respect of 0.77 million square feet constituting 4.97% of the total land reserves, for the development of 0.92 million square feet constituting 2.56% of the total Developable Area for the project at Nagpur. The development agreements entered into by us typically provide us the right to oversee the management of the project, right to control the project, and the right to manage the daily affairs of the venture. These agreements also stipulate the manner in which we are to share in the percentage of profit and

losses in relation to the development project with the respective partners. For details on associated risk, please see the risk factors *"We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entail certain risks."* on page xviii.

We have entered into a development agreement in respect of 0.55 million square feet constituting 3.56% of the total land reserves, for the development of 1.43 million square feet constituting 3.97% of the total Developable Area for the project at Kochi. The development agreements entered into by us typically provide us the right to oversee the management of the project, right to control the project, and the right to manage the daily affairs of the venture. These agreements also stipulate the manner in which we are to share in the percentage of profit and losses in relation to the development project with the respective partners. For details on associated risk, please see the risk factors *"We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entail certain risks."* on page xviii.

Further, with regards to the project at Kochi, we have entered into an unregistered assignment agreement dated December 19, 2009 with certain Subsidiaries, whereby, our Subsidiaries have assigned development rights of certain land parcels in our favour. Our Subsidiaries have obtained such development rights pursuant to respective unregistered development agreements and registered agreements for sale entered with land owners. The land parcels at Kochi aggregates to 1.14 million square feet constituting 7.37% of the total land reserves for the development of 2.96 million square feet constituting 8.23% of the total Developable Area. However, our Subsidiaries while acquiring rights over parcels of land situated at Kochi, have paid part consideration at the time of execution of their respective agreements for sale and the balance consideration is payable by way of allotting certain percentage of the total constructed area to the respective owners of the said land parcels. Such obligation pursuant to the assignment agreement stands transferred in the name of our Company. For details on associated risk, please see the risk factors *"We sometimes enter into MoU and similar agreements with third parties to acquire land or land development rights, which entail certain risks."* on page xviii.

(2) (b) Through its Subsidiaries

Our Company has not entered into any development agreements through its Subsidiaries for developing any land parcels.

(2) (c) Through Entities other than (2)(a) and (2)(b)

Our Company does not have development rights, through entities other than (2) (a) and (2)(b) above with respect to any projects.

(3) *Memorandum of Understanding/Agreements to Sell and Purchase/Letters of Acceptance to which the Company and/or its subsidiary and/or its Group Company are parties of which:*

(3) (a) Land Subject to Government Allotment

The Company does not have any Land Reserves which are subject to Government allotment.

(3) (b) Land Subject to Private Acquisition

The Company has entered into certain agreements for sale and irrevocable powers of attorney for certain parcels of land with third parties, entitling the Company to ownership of an aggregate area of 5.94 million square feet constituting 38.56% of the total Land Reserves, for the development of 13.87 million square feet constituting 38.55% of the total Developable Area for the land at Ambivali. The Company has paid part consideration at the time of execution of the aforementioned agreements for sale. The dates on which the Company is required to make the payment of the balance consideration in accordance with the respective agreements for sale are pursuant to compliance of certain terms and conditions by the respective vendors; however though, the Company has the option to extend the aforesaid dates in certain cases.

(4) (a) By the Company Directly

Our Company has not entered into any joint development agreement in its own name for developing any land parcels.

(4) (b) Through the Subsidiaries

Our Company has not entered into any joint development agreements through its Subsidiaries for developing any land parcels.

(4) (c) Lands for which joint development agreements have been entered into by the Company through entities other than (4)(a) and (4)(b)

Our Company has not entered into any joint development agreements through entities other than (4)(a) and (4)(b) for developing any land parcels.

(5) *Proportionate interest in lands owned indirectly by the Company through joint ventures*

Our Company does not hold any interest in lands owned indirectly through joint ventures.

Material Land Agreements

The following are the Material Land Agreements relating to our Land Reserves falling under category (2) and category (3), described above and which, as required under the SEBI Regulation, represent at least 10% of the “aggregate agreement value” of land falling within the relevant category.

Category (2): Land over which the Company has sole developable rights.

Name of Project	Name of contracting parties	Date of agreements	Term of the agreements	Agreement value (in Rs. million)	Amount paid against the agreement value (in Rs. million)	Percentage of value paid against aggregate value (%)	Sources of funds	Details of revocation clauses
Directly by the Company								
Project Neptune Swarajya, Nagpur	Company (Developer) and M/s. Revati Construction (Owner)	Development Agreement dated April 23, 2008	48 months from the date of obtaining CC and such further extension as mutually agreed	Unascertainable	52.35	Unascertainable	Internal accruals	N.A.
Project at Kochi	Company (Developer)	Development Agreement dated December 11, 2009	Until the completion of the project	264.04	52.81	20%	Internal Accruals	N.A.
Project at Kochi	Company (Assignee) and 1. Kavya Realtors Private Limited, 2. Juhi Realtors Private Limited and 3. Deshmukh Projects Developments Private Limited (Assignors)	Assignment Agreement dated December 19, 2009	Until the completion of the project	Re. 1 only	Re. 1	100%	Internal Accruals	N.A.

Category (3): 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:

Name of Project	Name of contracting parties	Date of agreements	Term of the agreements	Agreement value (in Rs. million)	Amount paid against the agreement value (in Rs. million)	Percentage of value paid against aggregate value (%)	Sources of funds	Details of revocation clauses.
Land subject to private acquisition								
Project Neptune Swarajya, Ambivali	Company (Purchaser) and Rohidas Babu Patil and others (Owners)	December 31, 2007	Until the completion of the project	54.97	42.85	77.95	Internal accruals	N.A.

Brief Description of the Material Land Agreements

1. We entered into a development agreement dated April 23, 2008 with M/s. Revati Construction for the development of 0.92 million acres of land situated at Mouja Issasani, Tah. Hingna, District Nagpur, Maharashtra. The net profit and loss from the said development shall be shared between us and M/s. Revati Construction in the ratio of 80% and 20% respectively. Under the development agreement, we have paid a refundable security deposit of Rs. 50 million from our internal accruals to M/s. Revati Construction. The said security deposit shall be adjusted with the consideration of 20% of the right and interest in the constructed premises, payable to M/s. Revati Construction. The constructed area shall vest with us and M/s. Revati Construction in the ratio of 80:20 respectively. We are also entitled to sell or allot on ownership basis the offices, shops, units car parks, flats, buildings, bungalows, row houses and other areas in the said property to prospective customers. The stamp duty and registration fee paid by the Company is Rs. 2.35 million. We are responsible for the completion of the development and construction within the period prescribed, if any, by any authorities at the time of sanctioning the development of the land. The agreement is effective from April 23, 2008 and is to continue until 48 months from the date of obtaining the Commencement Certificate and in case any further extension is required, the parties can mutually agree to do so. There are no revocation clauses in the agreement.
2. We have entered into a development agreement dated December 11, 2009 with K.J. Paul and others for the development of 1.43 million square feet of land situated off Kadungallor-Aluva Road, Kadungallor, Aluva, in the revenue village of Aluva (West) in Aluva Taluka and Registration Sub-district of Aluva, District Ernakulam at Kochi. Of the total consideration of Rs. 264.04 million, Rs. 52.81 million has already been paid under the agreement to sell dated April 24, 2008 and the balance shall be paid by way of providing 12% of the total constructed area to the owners. The part consideration has been paid from the internal accruals of the Company. We are responsible for the completion of the development and construction within the period prescribed, if any, by any authorities at the time of sanctioning the development of the land. There are no revocation clauses in any agreements.
3. We have entered into an unregistered assignment agreement dated December 19, 2009 with our Subsidiaries by way of which our Subsidiaries have assigned to us 1.14 million square feet constituting 7.37% of the total land reserves for the development of 2.96 million square feet constituting 8.23% of the total Developable Area. However, our Subsidiaries while acquiring rights over parcels of land situated at Kochi, have paid part consideration at the time of execution of their respective agreements for sale and the balance consideration is payable by way of allotting certain percentage of the total constructed area to the respective owners of the said land parcels. Such obligation pursuant to the assignment agreement stands transferred in the name of our Company. We are responsible for the completion of the development and construction within the period prescribed, if any, by any authorities at the time of sanctioning the development of the land. There are no revocation clauses in the agreement.
4. We entered into an Agreement for Sale dated December 31, 2007 with Mr. Rohidas Babu Patil and others for the purchase of 0.78 million square feet of land situated at village Ambivali, Taluka Kalyan, Maharashtra for an aggregate value of Rs. 54.97 million. The part consideration paid under the Agreement for Sale is funded through internal accruals and the entire constructed area shall vest with us. There are no revocation clauses in any agreements.

Other Material Agreements

Land Reserves (category)	Acreage (in million)	Aggregate Agreement Value (Rs. million)	Aggregate Amount paid (Rs. million)	Amount paid as a % of Aggregate Agreement value	Sources of funds	Revocation Clauses (if any)
<i>Category (2): Land over which the Company has sole development rights.</i>						
(a) Directly by itself	4.13	405.39	405.39	100	Internal Accruals	N.A.
(b) Through its Subsidiaries	Nil	Nil	Nil	Nil	N.A.	N.A.
(c) Through entities other than (a) and (b) above	Nil	Nil	Nil	Nil	N.A.	N.A.
Total	4.13	405.39	405.39	100	N.A.	N.A.
<i>Category (3): Memoranda of Understanding/Agreements to acquire/Letters of acceptance to which the Company and/ or its Subsidiaries and/or its group companies are parties of which:</i>						
(a) Land subject to government allocation	Nil	Nil	Nil	Nil	N.A.	N.A.
(b) Land subject to private acquisition	5.94	271.49	202	74.4	N.A.	N.A.
Total	5.94	271.49	202	74.4	N.A.	N.A.
<i>Category (4): Land for which joint development agreements have been entered into</i>						
(a) By the Company directly	Nil	Nil	Nil	Nil	N.A.	N.A.
(b) Through the subsidiaries	Nil	Nil	Nil	Nil	N.A.	N.A.
(c) Through entities other than (a) and (b) above	Nil	Nil	Nil	Nil	N.A.	N.A.
Total	Nil	Nil	Nil	Nil	N.A.	N.A.
<i>Category (5): Proportionate interest in lands owned indirectly by the Company through joint ventures.</i>						
Total	10.07	676.88	607.39	89.73	N.A.	N.A.

Regulations and Policies

We are primarily engaged in the business of real estate development. Since our business involves the acquisition of land and land development rights, we are governed by a number of central and state legislation regulating substantive and procedural aspects of the acquisition of, and transfer of land. For the purposes of executing our projects, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies such as the MHADA, Municipal Corporation of Greater Mumbai, Slum Rehabilitation Authority, the Fire Department, the Environmental Department, the City Survey Department and the Collector for the projects in State of Maharashtra.

Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local bye-laws. While the real estate development industry remains largely unregulated, we are subject to land acquisition, town planning and social security laws. The following is an overview of the important laws and regulations, which are relevant to our business as a real estate developer.

CENTRAL LAWS

The Urban Land (Ceiling and Regulation) Act, 1976

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

The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (“**TP Act**”) establishes the general principles relating to the transfer of property in India. The transfer of immovable property, except agricultural land, is governed by the TP Act. It forms the basis for 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. The TP Act also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land, amongst others.

The Indian Easements Act, 1882

The right of easements is derived from the ownership of property and is governed by the Indian Easements Act, 1882. An easement is 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 being done, in or upon, other land not his own. Under the Indian Easements Act, 1882, a license is defined as a right to use property without any interest created in favour of the licensee, as opposed to a lease, which creates an interest in favour of the lessee. The period and incident upon which a license may be revoked may be provided in the license agreement entered into between the licensor and the licensee.

The Registration Act, 1908

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

The Indian Stamp Act, 1899

Stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. Stamp duty needs to be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on the instruments chargeable with duty are prescribed by state legislations. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in a court of law as evidence of the transaction contained therein and the Stamp Act also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. While the Indian Stamp Act, 1899, is a central legislation, State Governments have the power to enact their own stamp duty laws which are applicable within their respective jurisdictions.

The Land Acquisition Act, 1894

Land holdings are subject to the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the Central Government or appropriate State Government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and has the right to compensation. Some States have their own land acquisition statutes and the Company has to abide by State legislations in those states in which it conducts its business.

Laws for classification of land user

Usually, land is broadly classified under one or more categories, such as residential, commercial or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. In order to use land for any other purpose, the classification of the land may need to be changed in the appropriate land records by making an application to the relevant municipal or land revenue authorities. Where the land is originally classified as agricultural land, in order to use the land for any other purpose, the classification of the land is required to be converted into residential, commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from State to State, on the transfer of property within such States.

Development of Agricultural Land/Land Ceiling

The acquisition of land is regulated by the State-wise land reform laws, which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state to exceed this ceiling is void, and the surplus land is deemed, from the date of the transfer, to have been vested in the State Government free of all encumbrances.

When local authorities declare certain agricultural areas as earmarked for non-agricultural use such as, townships and commercial complexes, agricultural lands may be acquired by different entities for development. After obtaining a conversion certificate from the appropriate authority with respect to a change in use of the land from agricultural to non-agricultural, the ceilings referred to above will not be applicable. While granting licenses for development of townships, the authorities generally levy proportional development charges for the provision of services such as laying down of main lines, drainage, sewerage, water supply and electricity, where the authority is carrying out the same. Such licenses require approvals of layout plans for development and building plans for construction activities.

Land use planning

Land use planning and its regulation, including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Government, relevant State Governments and other authorised agencies and bodies such as the Ministry of Urban Development, state land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession, development, zoning, planning of land and real estate. All relevant applicable laws, rules and regulations have to be taken into consideration by any person or entity proposing to enter into any real estate development or construction activity in this sector in India.

Building Consents

Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in States are the Town and Country Planning Departments, municipal corporations and the Urban Arts Commission. Any application for undertaking any

construction or development activity has to be made to the Town and Country Planning Department, which is a State level department engaged in the physical planning of urban centres and rural areas in the state.

The municipal authorities regulate building development and construction norms. For example, building plans are required to be approved by the relevant municipal authority. The Urban Arts Commission advises the relevant State Government in the matter of preserving, developing and maintaining the aesthetic quality of urban and environmental design in some states and also provides advice and guidance to any local body with respect to building or engineering operations or any development proposal which affects or is likely to affect the skyline or the aesthetic quality of the surroundings or any public amenity provided therein.

Under certain State laws, the local body, before it accords its approval for building operations, engineering operations or development proposals, is obliged to refer all such operations to the Urban Arts Commission and seek its approval for the project. Additionally, certain approvals and consents may also be required from various other departments, such as the Fire Department, the Airports Authority of India and the Archaeological Survey of India.

Urban Development Laws

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made there under and require sanctions from the Government departments and developmental authorities at various stages. Where projects are undertaken on lands that form part of the approved layout plans and/or fall within municipal limits of a town, generally the building plans of the projects have to be approved by the concerned municipal or developmental authority. Building plans are required to be approved for each building within the project area. Clearances with respect to other aspects of development such as fire, civil aviation and pollution control are required from appropriate authorities, depending on the nature, size and height of the projects.

Modes of Acquisition of Interest and Development Rights in Property

Due to the constraints under the laws prescribing a ceiling on the acquisition of land, a real estate development company may enter into a range of agreements in order to acquire interests in land. Brief details of the most common arrangements are provided herein below:

- *Agreements for acquisition of land* – Real estate development company (“REDC”) enters into agreements with third parties, which may be in the form of an agreement to sell or a memorandum of understanding, for the acquisition of land and pooling of land resources, for the purpose of the development of specified projects such as integrated townships. Under such agreements, the contracting parties agree to acquire land in certain areas selected by the REDC, which agrees to provide an interest-free fund to such contracting parties for meeting the costs of the acquisitions. Further, the contracting parties are required to pool the acquired land with the land owned by the REDC and deliver possession of the same to the REDC, for the purpose of developing the project. Typically, an REDC is free to develop the land at its absolute discretion and is also authorised to develop, market and sell the project at its own cost, risk and expense.
- *Joint development agreements* – Another mode of acquiring land used by REDCs is to enter into joint development agreements (“JDA”) with the title holders of land for joint development or development by the REDCs, of the real estate projects. The JDA may be in the form of a memorandum of understanding or a joint venture agreement. Under the terms of a JDA, REDC may be authorised to develop, construct, finance and market the project on the relevant land. For the purpose of development and construction of the project, REDCs are required to comply with approved building plans in relation to the project.
- *Public auctions and Government allotment* – The Governments in various states undertake large real estate development projects, for the purposes of which Bids satisfying certain eligibility criteria (such as technical and financial criteria) are invited. After evaluation of the Bids submitted by the REDCs, the Government through the various regional bodies and local development authorities, selects the most eligible REDC for the development of the project and undertakes to grant, certain rights for the purposes of a project such as a perpetual lease of the project land in favour of the REDC, subject to satisfaction of certain conditions. In the ordinary course, the Governmental authority may grant such an undertaking in the form of a reservation-cum-allotment letter, the salient terms of which usually include among other things, the nature of allotment (such as lease and conveyance), the period of grant, the consideration for allotment and the payment schedule.

LAWS SPECIFIC TO THE STATE OF MAHARASHTRA

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made there under and require sanctions from the Government departments and developmental authorities at various stages.

Maharashtra Housing and Area Development Authority Act, 1976

The Maharashtra Housing and Area Development Authority Act, 1976 (“**MHADA Act**”) was enacted to unify, consolidate and amend the laws relating to housing, repairing and reconstructing dangerous buildings and carrying on improvement work in slum areas. The MHADA Act provides for repairs and reconstruction of dilapidated buildings but it has been made applicable only to Greater Bombay. The MHADA Act empowers the Board for Greater Bombay, constituted under the Act, *inter alia*, mainly (1) to repair and reconstruct dilapidated building and (2) to undertake building repairs and building reconstruction schemes. This Board is also given power to acquire any building through the State Government for carrying out the aforesaid work.

Maharashtra Regional and Town Planning Act, 1966

The Maharashtra Regional and Town Planning Act, 1966 (“**MRTPA**”) has been enacted with the object of establishing local development authorities in Maharashtra to ensure efficient town planning and development of lands within their jurisdiction. It provides for the creation of new towns and compulsory acquisition of land required for public purposes. The Collector and the Town Planning Department as appointed and established under MRTPA, grants approvals for real estate projects situated in areas falling within their jurisdiction. Change in the use of or development of any land which is part of a notified area or site for a new town requires the permission of the planning authority and it may revoke or modify the permission granted if it appears inconsistent with the development plan. The MRTPA also empowers the Planning Authority to levy development charge on use, change of use or development of land for which permission is required at specified rates.

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.

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

Maharashtra Ownership Flats (Regulations of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 (“**MOFA**”) was enacted by the State Government of Maharashtra to regulate the promotion of construction, sale, management and transfer of flats taken on an ownership basis. MOFA applies to the entire State of Maharashtra.

The provisions of MOFA apply to the promoter/developer who intends to construct a block or building of flats to be sold on an ownership basis. MOFA prescribes the general liabilities and responsibilities of the promoter. Under its rules, a model form of Agreement to be entered into between the promoter and the flat purchasers is given. Under MOFA, the promoter is required to enter into a written agreement for sale for each flat with each of the flat purchasers. The agreement contains prescribed particulars with copies of relevant documents. These agreements are compulsorily required to be registered. MOFA enumerates the offences and the penalties in relation to the offences under MOFA. MOFA does not apply to the Housing and Area Development Authority and the Boards set up under the Maharashtra Housing and Area Development Act, 1997.

The Maharashtra Rent Control Act, 1999

The Maharashtra Rent Control Act, 1999 (“**MRCA**”) was enacted to unify, consolidate and amend the law relating to control of rent and repairs to certain premises and of eviction, and for encouraging the construction of new houses by assuring a fair

return on the investment by the landlords. The MRCA applies to the entire State of Maharashtra. The MRCA applies to premises let out for purposes of residence, education, business, trade or storage. The provisions of the MRCA govern the mode of recovery of possession of property by the landlord.

Development Control Regulations for Greater Mumbai, 1991

The State Government of Maharashtra has enacted the Development Control Regulations for Greater Mumbai, 1991 (“**DCR**”). The DCR apply to all development, redevelopment, erection and/or re-erection of a building and change of user, as well as to the design, construction or reconstruction of, and additions and alterations to a building in areas under the entire jurisdiction of the Municipal Corporation of Greater Bombay. Under the DCR provisions, no person shall commence any of the above activities on any plot or land, or cause the same to be done without first obtaining separate development permission and a commencement certificate from the Commissioner of Mumbai Municipal Corporation. DCR 33 provides for the categories under which additional Floor Space Index (“**FSI**”) is allowed. The redevelopment work carried out by our Company is covered under the categories provided under DCR 33 (6), DCR 33 (7), DCR 33 (9) and DCR 33 (10).

DCR 33 (6): Under this provision, reconstruction in whole or in part of a building, which existed on or after June 10, 1977 which has ceased to exist in consequence of an accidental fire, natural collapse or demolition for the reason of the same having been declared unsafe by or under a lawful order of the Corporation or the Bombay Housing and Area Development Board, shall be allowed with FSI in the new building not exceeding that of the original building.

DCR 33 (7): Under this provision for reconstruction/redevelopment to be undertaken by Co-operative Housing Societies of existing tenants or by Co-operative Housing Societies of Landlords and/or Occupiers of a cessed building of ‘A’ category in the Island City, which attracts the provisions of the MHADA Act, 1976, the FSI shall be 2.5 on the gross plot area or the FSI required for rehabilitation of existing tenants plus incentive FSI as specified under appendix III to the DCR, whichever is higher.

DCR 33(9): Under this provision for reconstruction/ redevelopment of cessed buildings/Urban renewal schemes in the Island City of Mumbai undertaken by (a) MHADA Or Municipal Corporation of Greater Mumbai (MCGBM) either departmentally or through a suitable agency or (b) MHADA/MCGBM jointly with land owners and/or co-operative society of tenants/occupiers of building or developer or co-operative society of hutment dwellers therein (c) independently by land owners and/or co-operative society of tenants/occupiers of building or developer, the FSI shall be 4.00 or the FSI required for rehabilitation of existing tenants/occupiers plus incentive FSI as given in Appendix –III-A, whichever is more.

DCR 33 (10): Under this provision for redevelopment or restructuring of censused slums or slums whose structures and inhabitants whose names appear in the Legislative Assembly voters’ list of 1985 by the owners/developers of the land on which such slums are located or by Co-operative Housing Societies of such slums dwellers a total FSI of upto 3.0 may be granted.

Development Control Regulations for Mumbai Metropolitan Region, 1999

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

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

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

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

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

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.

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.

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.

Slum Rehabilitation Scheme

The Government of Maharashtra launched the Slum Rehabilitation Scheme in 1995 (“SRS”) by introducing amendments to the DCR which came into force from December 25, 1995. Under the MRTPA, the Slum Rehabilitation Authority (“SRA”), appointed under Section 3A of the Maharashtra Slum Areas (Improvement and Redevelopment) Act, 1971, serves as a planning authority for all slum areas in Greater Mumbai (except those located in the Maharashtra Industrial Development Corporation area) and to facilitate the SRS. The powers, duties and functions of the SRA are to survey and formulate schemes of rehabilitation of slum areas and to ensure the implementation of slum rehabilitation scheme. All slum dwellers whose names appear in the electoral roll of January 1, 1995 or prior electoral roll and who are presently residing in huts are eligible to claim free tenement under the rehabilitation scheme. Every eligible residential slum structure is provided with an alternative tenement admeasuring 225.00 Sq. Ft. preferably at the same site, irrespective of the area of slum structure. An individual agreement must be entered into between the developer and the hutment dweller jointly with his/her spouse for every structure. After obtaining the requisite level of consent of the slum dwellers, the developer submits a detailed slum rehabilitation proposal to the SRA along with various documents for approval. The SRA scrutinises the proposal and sanctions the rehabilitation scheme and grants a letter of intent.

Maharashtra Land Revenue Code, 1966

The Maharashtra Land Revenue Code, 1966 provides for the assessment and realisation of land revenue. It provides for maintaining the land records, surveys and demarcations of the land. Agricultural land cannot be used for any other purpose unless the procedure for change of use of land from agricultural to non-agricultural purposes including use for residential and commercial purposes as prescribed under this Code has been complied with and requisite permission has been obtained for such use.

Bombay Stamp Act, 1958

Stamp duty on instruments in the State of Maharashtra is governed by the Bombay Stamp Act, 1958. This Act levies stamp duty on documents/instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the State Government on receiving information from any source, to call for examination of any instrument to satisfy himself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. State Government has the authority to impound insufficiently stamped documents. It prescribes a penalty not exceeding twice the amount of duty payable in respect of the instrument which is insufficiently stamped.

Tax

Service tax is charged on taxable services as defined in Chapter V of the Finance Act, 1994, which requires a service provider of taxable services to collect service tax from service recipient and pay such tax to the Government of India. Several taxable services are enumerated which includes construction services, including construction of residential and commercial complexes.

Value Added Tax (“VAT”) is charged by laws enacted by each state on sale of goods affected in those States. The Maharashtra Value Added Tax Act, 2002 prescribes certain requirements in relation to the payment of value added tax in Maharashtra. VAT is charged on construction contracts on the value of property in goods transferred during execution of construction contracts.

The Mumbai Municipal Corporation Act, 1888 (“MMCA”) regulates the municipal administration of the city of Mumbai and seeks to secure the due administration of municipal funds. The Municipal Corporation of Greater Mumbai, established under the MMCA, carries out functions including, *inter alia*, granting of approvals for projects situated in Greater Mumbai. The Maharashtra Rent Control Act, 1999 is a beneficial legislation, which provides for fixation of standard rental and gives statutory protection to a tenant against eviction by the landlord. The MHADA Act consolidated the law relating to housing, repairing and reconstruction of dangerous buildings and carrying out improvement works in slum area. It establishes the MHADA with a view to integrate the activities and functions of different statutory bodies which coordinates the activities of seven regional housing boards.

The Maharashtra Apartment Ownership Act, 1970 was enacted to provide for ownership of an individual apartment in a building and to make such apartment heritable and transferable property. The Maharashtra Tax on Buildings (with Larger Residential Premises) Act, 1979 was enacted to provide for levy of tax on buildings in corporation areas in the State of Maharashtra, which contain larger residential premises. The Maharashtra Ownership Flats Act, 1963, was enacted to regulate the promotion of the sale, management and the transfer of flats on an ownership basis in the State of Maharashtra.

LAWS SPECIFIC TO THE STATE OF ANDHRA PRADESH

Andhra Pradesh Urban Areas (Development) Act, 1975

Urban land development in Andhra Pradesh is regulated by the provisions of the Andhra Pradesh Urban Areas (Development) Act, 1975 (“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 completed in contravention of the master plan or zonal plan. The master plan defines the various zones into development areas which 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 framework for development within the zonal development plans.

Hyderabad Municipal Corporation Act, 1955

The Hyderabad Municipal Corporation Act, 1955 (the “HMCA”) is applicable to the cities of Hyderabad and Secunderabad. The Municipal Corporation of Hyderabad (“MCH”) has been set up under the HMCA. 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. 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. The person giving notice may proceed with the building or work, subject to the terms specified by the commissioner, any time within one year from the date of receiving the notice of disapproval from the commissioner. After the expiry of the one year, the person will need to give fresh notice of his intention to erect or re-erect a building or

execute such work. The HMCA further provides for specifications in 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 SPECIFIC TO THE STATE OF KERALA

Kerala has enacted land reforms legislations, restricting the extent of land that can be held by any one entity. Under Section 82 (1) of the Kerala Land Reforms Act, 1963, a ceiling of land area was fixed for individuals and joint families. Individuals were prevented from owning, holding or possessing land in excess of the ceiling area with effect from first January 1970. The leasing of land to any other individual or company in violation of these ceiling provisions was similarly prohibited.

LAWS SPECIFIC TO THE STATE OF TAMIL NADU

Chennai Metropolitan Development Authority (“CMDA”)

The CMDA is a town planning authority constituted under the Tamil Nadu Town and Country Planning Act, 1971. It regulates all physical developments within Chennai Metropolitan Area on planned lines. For this purpose the CMDA has prepared a master plan which designates the land use permissible in every part of the Chennai metropolitan area. The Chennai metropolitan area consists of 306 villages in 10 panchayat unions, besides 28 town panchayats, 8 municipalities and 1 cantonment. The CMDA prepares development plans for spatial development of Chennai metropolitan area by with a public consultation process. The CMDA has laid down development control rules for the Chennai metropolitan area in relation to the construction of information technology parks, ordinary buildings, multi storey buildings, and other buildings being constructed for industrial purposes as well as for residential and industrial layouts. These rules prescribe the extent of plot size, plot frontage, floor space index, plot coverage, height and set back lines for all the varieties of buildings named above. The permissible measurements for different buildings are laid down in detail under these rules.

The Tamil Nadu Town and Country Planning Act, 1971

Owing to the rapid increase in the population, industrialization, migration and various other factors, putting pressure on land and infrastructure in the Chennai Metropolitan Planning Area leading to unauthorized developments which are not in conformity with the first Master Plan for Chennai Metropolitan Planning Area in force and the Development Control Rules, the state Government has constituted a committee headed by a retired Supreme Court Judge to look into all aspects of developments and to suggest necessary modifications to the Tamil Nadu Town and Country Planning Act, 1971. It is expected that the recommendations of the committee aforesaid may involve substantial amendments to the Tamil Nadu Town and Country Planning Act, 1971 and some with retrospective effect, and in particular to the provisions relating to construction and use of the premises. Chennai Metropolitan Development Authority has prepared the draft Master Plan II for Chennai Metropolitan Planning Area, with the perspective year 2026 keeping in view the emerging new dimensions in urban development, which has been published inviting public objections and suggestions and the finalization of the Master Plan-II for Chennai Metropolitan Planning Area, 2026 is likely to take some more time. It is expected that the Master Plan II for Chennai Metropolitan Planning Area 2026 may change the present position in urban development.

Tamil Nadu Land Re-forms (fixation of ceiling on land) Act, 1961 (“TNLRA”)

The ownership and holding of land for agricultural purposes within the state of Tamil Nadu is regulated by the TNLRA. Under TNLRA, companies, individuals, other entities are permitted to hold land for agricultural purposes up to a maximum of 15 acres. A higher ceiling, ranging between 25 acres to 40 acres, is prescribed for educational institutions such as universities and schools.

An industrial/ commercial undertaking can make an application to hold agricultural lands in excess of the ceiling limits for industrial/ commercial activity. Permission from the state government could be issued with such conditions as it may deem fit and for a period as may be permitted.

The use of any land, other than agricultural land for development for commercial/ residential purpose is regulated by Tamil Nadu Town and Country Planning Act, 1971, being the parent act, and through provisions of the Tamil Nadu Urban Local Bodies Act 1998 and the Tamil Nadu Panchayats Act 1994 which are applied within the overall frame work of Tamil Nadu Town & Country Planning Act, 1971.

The Tamil Nadu Town and Country Planning Act, 1971 (“TNTCP”)

The TNTCP supersedes TNLRA so far as use of land for development of commercial/ residential purposes is concerned.

Under TNTCP, the government of Tamil Nadu may notify any area within the state to be a regional planning area, local planning area or site for a new town and appoint a planning authority for these notified areas. For example, Chennai city and sub-urban areas such as Tiruvallur, Chengalpattu, Sriperumbudur, Ponneri and Poonamallee Taluk in Kancheepuram District, the Thiruvettriur, Alandur, Pallavaram, Tambaram, Ambattur, Avadi, Madavaram, Kathivakkam municipalities and 28 town panchayats and a large number of villages within these areas have been notified as the Chennai 14 Metropolitan Area (“CMA”) and the CMDA is the appointed planning authority for the CMA.

In respect to the notified planning areas, the regional planning authorities, local planning authorities and the new town development authority prepare a detailed development plan/ master plan for the development of the planning area. The respective development plan/ master plan specifies the usage of land within the local planning area which inter-alia provides for allotment or reservation of land for residential, commercial, industrial and agricultural purposes, for parks and open spaces, major streets, airport and canals, area reserved for further developments, expansion and for new housing. The provisions for detailed development of specific areas for housing, shopping, industries, the height, number of storey and size of building, etc, may also be included in these plans.

The local planning authority in its detailed development plan may also separately provide for acquisition of any land or other immovable property within the detailed development plan, disposal by sale, lease, etc, of land acquired or owned by local planning authority, the allotment or reservation of land for specified purposes, etc. The plans may also provide that the land reserved or designated in a regional plan, master plan, detailed development plan or a new town development plan may be purchased or acquired by the government under the provision of the Land Acquisition Act, 1984.

Any development on a land comprised within a planning area can be undertaken only after obtaining the permission from the respective planning authority.

The land within the regional planning area, local planning area or a new town development shall be used only as per the respective development plan unless otherwise specifically approved by the appropriate planning authority and in accordance with conditions as may be specified by such authority.

In case there is no development plan drawn up by the concerned development planning authority or where there are no development planning authorities, the local authority namely, the municipality or the panchayat or the special officer would be responsible for granting permission with regard to use of land including the conversion thereof.

LAWS RELATING TO EMPLOYMENT

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”) has been enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to make an application to the registered officer in the prescribed manner for registration of the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and is not permitted to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

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

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

Under the BOCWA, every employer employing ten or more building workers for building or construction work in the past twelve months must apply for registration of the establishment. The BOCWA vests the responsibility on the Building and Other Construction Workers Welfare Board of providing for immediate assistance in case of accidents, old-age pension, loans

for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits, etc. to beneficiaries under the BOCWA.

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

Building and Other Construction Workers' Welfare Cess Act, 1996

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

The Payment of Wages Act, 1936

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

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“**MWA**”) came into force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 (“**PGA**”) was enacted with the objective to entitle the payment of gratuity to an employee who has rendered continuous service for not less than five years at the time of retirement or termination of such employee's services, or upon such employee's death or disablement due to accident or disease (in which case the minimum requirement of five years does not apply).

The Payment of Bonus Act, 1965

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

The Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 (“**ESIA**”) aims to provide benefits for employees or their beneficiaries in the event of sickness, maternity, disablement and employment injury and to make provisions for the same. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed under the ESIA. Under the ESIA every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs.7,500 per month is entitled to be insured. The ESIA contemplates a contribution payable by the principal employer in the first instance and a contribution payable by the employee in respect of an employee to the Employee State Insurance Corporation. The ESIA further states that a principal employer, who has paid a contribution in respect of an employee employed by or through an immediate employer, shall be entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 (“**Standing Orders Act**”) requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The Standing Orders Act requires every employer to which the Standing Orders Act applies to certify and register the draft standing order proposed by him in the prescribed manner. However until the draft standing orders are certified, the prescribed standing orders given in the Standing Orders Act must be followed.

The Workmen’s Compensation Act, 1923

The Workmen’s Compensation Act, 1923 (“**WCA**”) has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“**EPFA**”) was introduced with the object to institute a provident fund for the benefit of employees in factories and other establishments. The EPFA empowers the Central Government to frame the “Employee’s Provident Fund Scheme”, “Employee’s Deposit-linked Insurance Scheme’ and the “Employees’ Family Pension Scheme” for the establishment of provident funds under the EPFA for the employees. The EPFA also prescribes that contributions to the provident fund are to be made by both the employer and the employee.

REGULATIONS REGARDING DOMESTIC BORROWINGS BY REAL ESTATE COMPANIES

Domestic borrowing by property developers

Although there are no restrictions on a real estate company’s ability to undertake debt obligations from domestic institutions, the RBI has, in its circular dated March 1, 2006 (RBI/2005-06/310 DBOD.BP.BC. 65/08.12.01/2005-06) and the Master Circular on Housing Finance dated July 1, 2009 (RBI/2009-10/75 DBOD. No. DIR. (HSG). BC.08 /08.12.01/2009-10) cautioned all scheduled commercial banks in India (“**SCBs**”) to curb excessively risky lending by exercising selectivity and strengthening the loan approval process. In view of the above, the RBI has advised the SCBs that while appraising loan proposals involving real estate, the SCBs should ensure that the borrowers have obtained prior permission from the concerned Government or other statutory authorities for the relevant project, wherever required.

LAWS RELATING TO ENVIRONMENT

The three major statutes in India which seek to regulate and protect the environment against pollution and related activities in India are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCB**”) which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure, and investigation if the authorities are aware of or suspect pollution. In addition, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the Proposed Projects.

History and Certain Corporate Matters

Brief Corporate History of Our Company

Our Company was originally incorporated as ‘Neptune Developers Private Limited’ on July 15, 2004 under the Companies Act as a private limited company with the RoC, Mumbai. Our Company was converted to a public company pursuant to a shareholders’ resolution dated October 14, 2009 and its name was changed to ‘Neptune Developers Limited’. The RoC, Mumbai has issued a fresh certificate of incorporation consequent to the conversion and change in name on November 12, 2009. The aforesaid change was made in the name to reflect the changing nature of the constitution of the Company.

Our Company has been engaged in the business of real estate development and there has been no change in the activities being carried out by our Company since its incorporation.

Our Main Object

Our main object, as contained in our Memorandum of Association is:

“To carry on the business and to own, buy, sell, possess, develop, construct, demolish, rebuild, renovate, repair, or otherwise deal in land and all types of building and to act as builders, realtors, pilers, contractor & developers & to carry on the business of builders & developers, erectors, constructors, repairers of buildings, houses, apartments, ownership flats, structures of residential, office, industrial, institutional or commercial establishments, or of housing schemes and sell, purchases and deal in town-ships, holiday resorts, hotels, guest house, and in particular preparing of building sites, constructing, re-constructing, erecting, altering, improving, enlarging, developing, decorating, furnishing & maintaining of structures, flats, houses, factories, shops, offices, garages, warehouses, buildings, works, workshops, hospitals, nursing homes, clinics, godowns, other commercial, educational purposes and conveniences, and to purchase for development, and/ re-development, resale land, houses, buildings, structures, and other purchase, sell & deal in lands of free-hold, lease-hold & other tenures & to act as contractors for any person semi or governmental authorities for the construction, slum redevelopment, repairs & maintenance of buildings of all description, roads, bridges, earthwork, sewers, tanks, drains, culvert, channels, sewage.”

Change in our Registered Office

The table below encapsulates the change in registered office of our Company:

Shareholders Resolution Date	Change in the address of our Registered Office and Reasons
April 1, 2008	Registered office was changed due to operational reasons from A/6, Deshmukhwadi Complex, 1st Floor, Zaver Road, Mulund (West) Mumbai 400 080 to Neptune House, Karma Stambh Building, 3 rd Floor, Opposite MTNL Office, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

Key Events and Milestones

Month and Year	Event
July 2004	Incorporation of our Company
February 2007	Investment IndiaREIT Offshore Fund, Mauritius through its subsidiary Lunilez Ventures Limited, Cyprus, and IL&FS Trust Company Limited as trustee to INDIAREIT Fund – Scheme I, India in Neptune Realtors Private Limited for Kurla Project
February, 2008	Investment by India Basket Limited, Cyprus, the subsidiary of REAL I.S A.G , Germany, in Neptune Enclave Private Limited for Hyderabad Project
February, 2008	Joint venture between Pacifica Companies LLC, Sindhu Resettlement Corporation Limited and Neptune Developers Limited to undertake re-development work with respect to the Dharavi Re-development Project
February, 2008	Tie up with Fosters+Partners, Architects and Designers
April 2008	Investment by way of subscription by IndiaREIT Enterprise Holdings Limited, Mauritius, of 2,685,380 compulsorily convertible preference shares of Rs. 10 each at a premium of Rs. 490 each aggregating to Rs. 1,342 million and 1,650,698 Equity Shares of Rs. 10 each at a premium of Rs. 90 per Equity Share aggregating to Rs. 165 million.

April 2008	Investment, by way of subscription to 671,345 compulsorily convertible preference shares of Rs.10 each at a premium of Rs. 490 per compulsorily convertible preference shares (“CCPS”) aggregating to Rs. 335 million and 412,675 Equity Shares of Rs. 10 each at a premium of Rs. 90 per Equity Share aggregating to Rs. 41 million by IL&FS Trust Company Limited in the capacity of being the trustee to IndiaREIT Fund – Scheme III
May, 2008	Commencement of operations by Metro Cash & Carry India Private Limited in Magnet Mall, Bhandup.
March, 2009	Launch of "NEPTUNE SWARAJYA" at Ambivali.
November 2009	Conversion of the Company from a private company into public company.

Changes in the activities of the Company during the last five years

Except as stated in the sections titled “**Business**” and “**Management's Discussion and Analysis of Financial Condition**” beginning on pages 74 and 176, respectively, there have been no changes in the activities of our Company during the last five years, preceding the date of the Draft Red Herring Prospectus.

Changes in our Memorandum of Association

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

Date of shareholders' resolution	Details
December 15, 2004	Sub division of equity share capital from Rs. 5 million divided into 0.05 million equity shares of Rs.100 each to 0.5 million equity shares to Rs.10 each
December 23, 2004	Increase in authorised share capital from Rs. 5 million to Rs. 200 million divided into 2,700,000 Equity Shares of Rs. 10 each, 1,600,000 preference shares of Rs. 100 each and 800,000 unclassified shares
April 6, 2005	Increase in authorised share capital from Rs. 200 million to Rs. 300 million divided into 1,000,000 Equity Shares of Rs. 10 each and 900,000 preference shares of Rs. 100 each.
May 19, 2005	Increase in authorised share capital from Rs. 300 million to Rs. 360 million 1,000,000 Equity Shares of Rs. 10 each and 500,000 Preference Shares of Rs. 100 each.
March 29, 2008	Re-classification of equity and preference share capital from Rs. 360 million divided into 60 million Equity Shares of Rs. 10 each and 30 million preference shares of Rs. 100 each to Rs. 360 million divided into 15.01 million Equity Shares of Rs.10 each and 2.098 million preference shares of Rs.100 each.
April 15, 2008	Increase in authorised share capital from Rs. 360 million to Rs. 400 million divided into 15,658,275 Equity Shares of Rs.102,098,500 Zero% fully convertible preference shares of Rs.100 and 3,356,725, 0.0001% compulsorily convertible preference shares of Rs. 10 each.
August 20, 2009	Reclassification of preference share capital as 2.098 million preference share capital of Rs. 100 each as 2.098 million Equity Shares of Rs. 10 each.
October 14, 2009	<ul style="list-style-type: none"> Increase in authorised share capital from Rs. 400 million to Rs. 1,400 million divided into 136,643,275 Equity Shares of Rs.10 each and 3,356,725 - 0.0001% compulsorily convertible preference shares of Rs. 10 each. Conversion of the Company from a private company into public company and the consequent change of name from “Neptune Developers Private Limited” to “Neptune Developers Limited”.
December 2, 2009	Increase in authorised share capital from Rs. 1,400 million to Rs. 1,440 million divided into 140,643,275 Equity Shares of Rs.10 each and 3,356,725 – 0.0001% compulsorily convertible preference shares of Rs. 10 each.
December 18, 2009	Re-classification of 3,356,725 - 0.0001% compulsorily convertible preference shares of Rs. 10 each as 3,356,725 Equity Shares of Rs. 10 each [#] .

[#] The Company is in the process of filing the requisite forms with the RoC as on the DRHP Date.

Awards and recognitions

We have received the following awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Award/Recognition
2006	Received ‘AAA’ rating by Liases Foras, a Mumbai based independent real estate rating agency for Project Neptune Harmony located in Mulund, Mumbai.
2007	Best Innovative Marketing Strategy Award from Maharashtra Chamber of Housing Industry.

Members

As of December 28, 2009, we have 43 members in our Company.

Injunctions or restraining orders

Our Company is not operating under any injunction or restraining order.

Acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

There has been no acquisition of business/ undertakings, mergers, amalgamation or revaluation of the assets since its incorporation of the Company.

Time/ Cost overrun

We have experienced time and cost overrun in relation to our project Magnet Mall, Bhandup. There is an ongoing delay and a cost overrun of Rs. 716.29 million in the completion of Magnet Mall, which was scheduled to be completed in Fiscal 2008. The delay is on account of revisions in drawings and designs, which has resulted in an increase in the developable and saleable area and hence resulted in more number of tenants for our Magnet Mall project.

Defaults or rescheduling of borrowings from financial institutions/banks

Apart from the rescheduling of the borrowing by Neptune Ventures and Developers Private Limited, there has been no rescheduling of, or defaults, with respect to our borrowings from financial instruments/banks.

Sr. No.	Name of the lender	Details of loan agreement	Particulars of rescheduling
1.	HUDCO	Loan agreement dated June 25, 2005 for "Neptune Living Point" township project	<ul style="list-style-type: none"> Amount borrowed was Rs. 950 million, which was subsequently reduced to Rs. 770 Million by a letter dated July 13, 2007. The repayment schedule envisaged quarterly repayment w.e.f. February 28, 2007 till February 28, 2010 amounting to Rs. 73.07 Million, which was subsequently revised to quarterly repayment w.e.f. February 28, 2007 for Rs. 110 Million and February 29, 2008 till February 28, 2009 amounting to Rs. 132 Million <i>vide</i> letter dated July 13, 2007.
2.	HUDCO	Loan agreement dated June 28, 2007 for "Neptune Living Point" township project and deferment to loan repayment and amendment to loan agreement dated 28th June 2007 <i>vide</i> HUDCO letter dated March 20, 2009)	Quarterly repayment w.e.f. February 28, 2007 amounting to Rs. 110 Million; February 29, 2008 to 28th Feb 2009 Amounting to INR 132 Million and May 31, 2009 till August 31, 2010 amounting to Rs. 101.6 Million revised as quarterly repayment starting from February 28, 2007 amounting to Rs. 110.0 Million and February 29, 2008 till August 31, 2008 amounting to Rs. 132 Million and November 30, 2008 amounting to Rs. 79.79 Million and February 28, 2009 till February 28, 2015 amounting to Rs 30.547 Million and May 31, 2015 amounting to Rs. 30.533 Million.
3.	HUDCO	Loan agreement dated September 4, 2009 for "Neptune Living Point" township project	Earlier, repayment in twenty three quarterly installments starting from November 30, 2009 till May 31, 2015 amounting to Rs. 23.78 million was stipulated. However, <i>vide</i> letter dated November 20 2009, the repayment has been rescheduled to May 31, 2010 till February 28, 2015 amounting to Rs. 26.04 Million and May 31, 2015 amounting to Rs. 26.046 Million.
4.	Indian Bank	Loan agreement dated June 28, 2007 for Living Point Township Project revised <i>vide</i> loan agreement dated February 25, 2009	<ul style="list-style-type: none"> Previously interest applicable on the borrowing was 1.50% less than the benchmark PLR and the term loan premium (which as per the current benchmark PLR is equal to 11% p.a.), and the same is now revised in accordance with letter dated February 25, 2009 to the benchmark PLR and term loan premium (which as per the current benchmark PLR is equal to 13% p.a.). Earlier, the borrowing was repayable in eight equal quarterly installments commencing from the seventeenth month of first draw down, amounting to Rs. 93.75 million. However, as per the letter dated February 25, 2009, the repayment schedule is revised to eight equal quarterly installments commencing from January 2010 till October 2011.
5.	Indian Bank	Sub-limit of letter of credit for import (payment against acceptance / payment against delivery of document) for 90 days	Earlier the limit for LC was Rs. 200 Million, revised <i>vide</i> letter dated February 25, 2009, the limit to Rs. 100 Million
6.	Bank of India	Term loan facility sanction letter dated December 19, 2007 and revised on April 17, 2009 of grant of term loan facility for construction of tech boutique park at Thane and finalized <i>vide</i> term loan agreement dated June 17, 2008	<ul style="list-style-type: none"> Earlier repayment in three quarterly installments starting from September 2009 till March 2010 amounting to Rs.20 Million; two installments starting from June 2010 till September 2010 amounting to Rs. 130 Million; final installment in the quarter of December 2010 amounting to Rs. 125 Million This repayment was revised to six quarterly installments w.e.f. April 30, 2011 amounting to Rs. 74.20 Million

7.	Oriental Bank of Commerce	Sanction letter dated February 26, 2008; revised June 16, 2009, sanctioning credit facilities for the construction of a tech boutique park at Thane and finalized <i>vide</i> term loan agreement dated June 17, 2008	<ul style="list-style-type: none"> • Earlier repayment in six quarterly installments w.e.f. September 2009 till March 2010 amounting to Rs. 4.70 Million and from June 2010 till December 2010 amounting to Rs. 30.30 Million. • This repayment was revised to six quarterly installments starting from April 30, 2011 amounting to Rs. 17.50 Million.
8.	Punjab National Bank	Letter dated January 24, 2008, revised June 27, 2009, sanctioning credit facilities for construction of tech boutique park at Thane and finalized <i>vide</i> term loan agreement dated June 17, 2008	<ul style="list-style-type: none"> • Earlier repayment in three quarterly installments w.e.f. September 2009 till March 2010 amounting to Rs. 15.30 Million; two installments from June 2010 till September 2010 amounting to Rs. 99.70 Million and final installment in the quarter of December 2010 amounting to Rs. 104.70 Million. • This repayment was revised to five quarterly installments w.e.f. December 31, 2010 till December 31, 2011 amounting to Rs. 58.30 Million; and final installment in the quarter of March 31, 2012 amounting to Rs. 58.5 Million.

Subsidiaries, associates and partnerships of the Company

Our Subsidiaries and proposed subsidiary

Our Subsidiaries are engaged in similar business as that of ours. None of our Subsidiaries is a sick company under the meaning of SICA and none of them are under winding up or has a negative net worth. Further, all our Subsidiaries are unlisted companies and they have not made any public issue (including any rights issue to the public) of securities in the preceding three years.

List of the Subsidiaries of the Company as on December 28, 2009 is as follows:

1. Deshmukh Projects Developers Private Limited;
2. Juhi Realtors Private Limited;
3. Kavya Realtors Private Limited;
4. Neptune Homes Private Limited;
5. Neptune Housing and Realty Private Limited;
6. Neptune Realtors and Developers Private Limited;
7. Neptune Realty and Property Management Private Limited;
8. Neptune Residency Private Limited; and
9. Neptune Ventures and Developers Private Limited.

List of the proposed Subsidiary of the Company as on December 28, 2009 is as follows:

1. Neptune Realtors Private Limited.

Details of our Subsidiaries

1. Deshmukh Projects Developers Private Limited

Corporate Information

Deshmukh Projects Developers Private Limited (“**Deshmukh Projects**”) was incorporated under the Companies Act as a private limited company on February 26, 2008. Deshmukh Projects is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers. Deshmukh Projects became a subsidiary of the Company on June 19, 2008.

Registered Office

Man - Sneh, Purushottam Kheraj Road,
Mulund (West), Mumbai 400 080.

Board of Directors

The board of directors of Deshmukh Projects as on December 28, 2009 comprises:

1. Mr. Rajeshwar Deshmukh; and
2. Mr. Sachin Deshmukh.

Capital Structure

The capital structure of Deshmukh Projects as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
50,000 equity shares of Rs. 10 each	0.5
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Deshmukh Projects as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Neptune Developers Limited	9,999	99.99
2.	Mr. Sachin Deshmukh, representing Neptune Developers Limited	01	0.01
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available, which are set forth below.

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.00)	(0.03)
Earnings per share (Rs.)	(0.01)	(3.11)
Net asset value per share (Rs.)	6.87	6.88

2. Juhi Realtors Private Limited

Corporate Information

Juhi Realtors Private Limited (“**Juhi Realtors**”) was incorporated under the Companies Act as a private limited company on November 15, 2007. Juhi Realtors is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers. Juhi Realtors became a subsidiary of the Company as on June 19, 2008.

Registered Office

1401/02, Raj Darshan Tower,
Behind Jain Temple, Sarvodaya,
Parshwanath Nagar, Mulund (West),
Mumbai 400 080.

Board of Directors

The board of directors of Juhi Realtors as on December 28, 2009 comprises:

1. Mr. Nayan Bheda; and
2. Mr. Chetan Bheda.

Capital Structure

The capital structure of Juhi Realtors as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
50,000 equity shares of Rs. 10 each	0.5
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Juhi Realtors as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Neptune Developers Limited	9,999	99.99
2.	Chetan Bheda, representing Neptune Developers Limited	01	0.01
	Total	10,000	100

Financial performance

The audited financial results for Fiscal 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available which are set below:

(In Rs. million, except share data)

Particulars	For the period ended as on		
	June 30, 2009	March 31, 2009	March 31, 2008
Equity capital	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00	0.00
Income	0.00	0.00	0.00
Profit / (Loss) after tax	0.00	(0.00)	(0.03)
Earnings per share (Rs.)	(0.01)	(0.03)	(3.75)
Net asset value per share (Rs.)	6.21	6.22	6.25

3. Kavya Realtors Private Limited

Corporate Information

Kavya Realtors Private Limited (“**Kavya Realtors**”) was incorporated under the Companies Act as a private limited company on March 28, 2008. Kavya Realtors is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers. Kavya Realtors became a subsidiary of the Company as on June 19, 2008.

Registered Office

14, 3rd Floor, Hem Kunj,

Zaver Road, Mulund (West),
Mumbai 400 080.

Board of Directors

The board of directors of Kavya Realtors as on December 28, 2009 comprises:

1. Mr. Nayan Shah; and
2. Ms. Mili Shah.

Capital Structure

The capital structure of Kavya Realtors as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
50,000 equity shares of Rs. 10 each	0.5
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Kavya Realtors as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Neptune Developers Limited	9,999	99.99
2.	Mr. Nayan Shah, representing Neptune Developers Limited	01	0.01
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available and set forth below.

(In Rs. million, except share data)

Particulars	For the period as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.00)	(0.03)
Earnings per share (Rs.)	(0.01)	(3.10)
Net asset value per share (Rs.)	6.89	6.89

4. Neptune Homes Private Limited

Corporate Information

Neptune Homes Private Limited (“**Neptune Homes**”) was incorporated under the Companies Act as a private limited company on April 25, 2008. Neptune Homes is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Registered Office

Neptune House, Karma Stambh Building,
3rd floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.

Board of Directors

The board of directors of Neptune Homes as on December 28, 2009 comprises:

1. Mr. Nayan Bheda; and
2. Mr. Sachin Deshmukh.

Capital Structure

The capital structure of Neptune Homes as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
100,000 equity shares of Rs. 10 each	1
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Neptune Homes as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	100	1
2.	Mr. Sachin Deshmukh	100	1
3.	Neptune Developers Limited	9,800	98
	Total	10,000	100.00

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available and set forth below.

(In Rs. million, except share data)

Particulars	For the year ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.00)	(0.04)
Earnings per share (Rs.)	(0.01)	(4.29)
Net asset value per share (Rs.)	5.70	5.71

5. Neptune Housing and Realty Private Limited

Corporate Information

Neptune Housing and Realty Private Limited (“**Neptune Housing**”) was incorporated under the Companies Act as a private limited company on April 25, 2008. Neptune Housing is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Registered Office

Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Housing as on December 28, 2009 comprises:

1. Mr. Sachin Deshmukh; and
2. Mr. Nayan Bheda.

Capital Structure

The capital structure of Neptune Housing as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
100,000 equity shares of Rs. 10 each	1
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Neptune Housing as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	100	1
2.	Mr. Sachin Deshmukh	100	1
3.	Neptune Developers Limited	9,800	98
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available and set forth below:

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.01)	(0.04)
Earnings per share (Rs.)	(1.42)	(3.91)
Net asset value per share (Rs.)	4.67	6.09

6. Neptune Realtors and Developers Private Limited

Corporate Information

Neptune Realtors and Developers Private Limited (“**Neptune Realtors and Developers**”) was incorporated under the Companies Act as a private limited company on April 25, 2008. Neptune Realtors and Developers is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Registered Office

Neptune House, Karma Stambh Building,
3rd floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Realtors and Developers as on December 28, 2009 comprises:

1. Mr. Sachin Deshmukh; and
2. Mr. Nayan Bheda.

Capital Structure

The capital structure of Neptune Realtors and Developers as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
100,000 equity shares of Rs. 10 each	1.0
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Neptune Realtors and Developers as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	100	1
2.	Mr. Sachin Deshmukh	100	1
3.	Neptune Developers Limited	9,800	98
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the Neptune Realtors and Developers was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available, which are set forth below:

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.01)	(0.03)
Earnings per share (Rs.)	(1.42)	(3.91)
Net asset value per share (Rs.)	4.67	6.09

7. Neptune Realty and Property Management Private Limited

Corporate Information

Neptune Realty and Property Management Private Limited (“**Neptune Realty**”) was incorporated under the Companies Act as a private limited company on April 25, 2008. Neptune Realty is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Registered Office

Neptune House, Karma Stambh Building,
3RD floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Realty as on December 28, 2009 comprises:

1. Mr. Sachin Deshmukh; and
2. Mr. Nayan Bheda.

Capital Structure

The capital structure of Neptune Realty as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
100,000 equity shares of Rs. 10 each	1.00
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Neptune Realty as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	100	1
2.	Mr. Sachin Deshmukh	100	1
3.	Neptune Developers Limited	9,800	98
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the Neptune Realty was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available, which are set forth below:

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.014)	(0.03)
Earnings per share (Rs.)	(1.42)	(3.91)
Net asset value per share (Rs.)	4.67	6.09

8. Neptune Residency Private Limited

Corporate Information

Neptune Residency Private Limited (“**Neptune Residency**”) was incorporated under the Companies Act as a private limited Company on May 30, 2008. Neptune Residency is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Registered Office

Neptune House, Karma Stambh Building,
3rd floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Residency as on December 28, 2009 comprises:

1. Mr. Sachin Deshmukh; and
2. Mr. Nayan Bheda.

Capital Structure

The capital structure of Neptune Residency as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
100,000 equity shares of Rs. 10 each	1.0
B. Issued, Subscribed and Paid-Up Capital	
10,000 equity shares of Rs. 10 each	0.1

Shareholding pattern

The shareholding pattern of Neptune Residency as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	100	1
2.	Mr. Sachin Deshmukh	100	1
3.	Neptune Developers Limited	9,800	98
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available, which are set forth below:

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	0.00	0.00
Profit / (Loss) after tax	(0.01)	(0.03)
Earnings per share (Rs.)	(1.38)	(3.79)

Net asset value per share (Rs.)	4.83	6.21
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9. Neptune Ventures and Developers Private Limited

Corporate Information

Neptune Ventures and Developers Private Limited (“**Neptune Ventures**”) was incorporated under the Companies Act as a private limited company on January 15, 2009. Neptune Ventures is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers.

Neptune Ventures was previously organised as a partnership firm called “Neptune Enterprises”. Subsequently, this partnership was converted into a private limited company on January 15, 2009.

Registered Office

Neptune House, Karma Stambh Building,
3rd floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.

Board of Directors:

The board of directors of Neptune Ventures as on December 28, 2009 comprises:

1. Mr. Sachin Deshmukh;
2. Mr. Nayan Bheda; and
3. Mr. Mahesh Shetty.

Capital Structure

The capital structure of Neptune Ventures as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
5,000,000 equity shares of Rs. 10 each	50
3,500,000 - 0.0001% Optionally Convertible Preference Shares of Rs.100 each	350
TOTAL	400
B. Issued, Subscribed and Paid-Up Capital	
5,000,000 equity shares of Rs. 10 each	50
3,500,000 - 0.0001% Optionally Convertible Preference Shares of Rs.100 each	350
	400

Shareholding pattern

The shareholding pattern of Neptune Ventures as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares (Rs. 10 each)	No. of 0.0001% Optionally Convertible Preference shares (Rs. 100 each)	Percentage of total equity holding
1.	Mr. Nayan Bheda	500	250	0.01
2.	Mr. Sachin Deshmukh	500	250	0.01
3.	Mr. Nayan Shah	250	125	0.005
4.	Neptune Developers Limited	4,998,500	3,499,250	99.97
5.	Mr. Mahesh Shetty	250	125	0.005
	Total	5,000,000	3,500,000	100

Financial performance:

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to June 30, 2009 are available, which are set forth below:

(In Rs. million, except share data)

Particulars	For the period ended as on	
	June 30, 2009	March 31, 2009
Equity capital	1.0	1.0
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00
Income	6.13	0.10
Profit / (Loss) after tax	(16.08)	(30.42)
Earnings per share (Rs.)	(161)	(304)
Net asset value per share (Rs.)	(456)	(294)

Other details

Except as disclosed herein, there are no accumulated profits or losses of the Subsidiaries which have not been accounted for.

Details of our proposed subsidiary**1. Neptune Realtors Private Limited****Corporate Information**

Neptune Realtors Private Limited (“Neptune Realtors”) was incorporated under the Companies Act as a private limited company on November 20, 2006. Neptune Realtors is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers in India or abroad. Neptune Realtors is neither a subsidiary nor a joint venture of the Company. Further, at present our Company has significant influence over Neptune Realtors.

Our Company proposes to convert the Neptune Realtors into its subsidiary.

Registered Office

Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083.

Board of Directors

The board of directors of Neptune Realtors as on December 28, 2009 comprises:

1. Mr. Nayan Bheda;
2. Mr. Sachin Deshmukh;
3. Mr. Ramesh Jogani;
4. Mr. Jasmeet Chhabra; and
5. Mr. Piyush Gupta.

Capital Structure

The capital structure of Neptune Realtors as on December 28, 2009 is as follows:

Particulars		Aggregate nominal value (In Rs. million)
A. Authorised Capital		

400,000 class A equity shares of Rs. 10 each	4.0	
10,000 class B equity shares of Rs. 10 each	0.1	
10,000 class C equity shares of Rs. 10 each	0.1	
10,000 class D equity shares of Rs. 10 each	0.1	
1,570,000 Class E Equity Shares of Rs. 10 each	15.7	20
23,000,000 - 0.0001% Optionally Convertible Preference Shares of Rs. 10 each		230
Total		250
B. Issued, Subscribed and Paid-Up Capital		
50,000 Class A Equity Shares of Rs. 10 each	0.5	
10,000 Class B Equity Shares of Rs. 10 each	0.1	
10,000 Class C Equity Shares of Rs. 10 each	0.1	
10,000 Class D Equity Shares of Rs. 10 each	0.1	0.80
23,000,000 - 0.0001% Optionally Convertible Preference Shares of Rs. 10 each		230
Total		230.80

Shareholding pattern

The shareholding pattern of Neptune Realtors as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total holding	Percentage of total voting rights (In %)
Equity Share Capital				
Class A				
1.	Neptune Developers Limited*	20,000	25.00	40.00
2.	IndiaREIT Offshore Fund**	24,000	30.00	48.00
3.	IL&FS Trust Company Limited as trustee to IndiaREIT Fund – Scheme I	6,000	7.50	12.00
	Total	50,000	62.5	100.00
Class B				
1.	Neptune Developers Limited	10,000	12.5	0
Class C				
1.	IL&FS Trust Company Limited as trustee to IndiaREIT Fund – Scheme I	10,000	12.5	0
Class D				
1.	IndiaREIT Offshore Fund	10,000	12.5	0
	Total	80,000	100.00	100.00
Preference Share Capital				
0.0001% Optionally Convertible Preference Shares				
1.	IndiaREIT Offshore Fund	23,000,000	100.00	-

*Our Company acquired 100 class A equity shares from Mr. Nayan Bheda and Mr. Sachin Deshmukh each on December 22, 2009 aggregating to 200 class A equity shares i.e. 0.25% of class A equity share capital in Neptune Realtors. The Company is in the process of filing a compounding application with the RoC under Section 621A of the Companies Act for violation of the provisions of Section 297 of the Companies Act, for which the penalty is unquantifiable.

** On May 14, 2007, IL&FS Trust Company Limited as trustee to IndiaREIT Fund – Scheme I transferred 24,000 class A equity shares to IndiaREIT Offshore Fund. In this regard, form for transfer of shares from resident to non-resident (“FCTRS”) was filed on December 24 2009. Since there was a delay in filing the said FCTRS, a condonation of delay has also been filed with RBI on December 26, 2009.

For further details on the terms of above class of equity shares, please see section titled “**History and Certain Corporate Matters - Shareholders Agreements**” beginning on page 137 of this Draft Red Herring Prospectus.

Debentures

The details of debentures issued by Neptune Realtors as on December 28, 2009 is as follows:

Sr. No.	Name of the debentureholder	No. of debentures	Percentage of total debentureholding
14% Convertible Debentures			
1.	Lunilez Ventures Limited*, Cyprus	92,166,000	100.00
14% Non-Convertible Debentures			
1.	Neptune Developers Limited	11,480,000	28.51
2.	Il & FS Trust Company Limited	28,784,000	71.49
Total		40,264,000	100.00

*Subsidiary of IndiaREIT Enterprise Holdings Limited, Mauritius.

For further details on the terms of above debentures, please see section titled “**History and Certain Corporate Matters - Shareholders Agreements**” beginning on page 137 of this Draft Red Herring Prospectus.

Financial performance

The summary of audited financial of Neptune Realtors for the period ending on June 30, 2009, Fiscal 2009, 2008 and Fiscal 2007 are set below:

(In Rs. million, except share data)

Particulars	For the period ended as on			
	June 30, 2009	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital	230.80	230.80	230.70	230.70
Share application money	0.00	0.00	0.00	0.24
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00	0.00	0.00
Income	0.00	0.00	0.00	0.00
Profit / (Loss) after tax	(0.02)	(0.19)	(1.26)	0.00
Earnings per share (Rs.)	(0.27)	(2.32)	(18.00)	0.00
Net asset value per share (Rs.)	(8.33)	(8.07)	(7.99)	0.00

BALANCE SHEET FOR NEPTUNE REALTORS PVT. LTD. (IN MILLIONS)

Particulars	As at 30th June 2009		As at 31st March 2009		As at 31st March 2008		As at 31st March 2007	
I SOURCES OF FUNDS								
1 SHAREHOLDERS' FUNDS								
(a) Share Capital	230.80		230.80		230.70		230.70	
(b) Share Application Money	-		-		-		0.24	
(c) Reserves & Surplus	-	230.80	-	230.80	-	230.70	-	230.94
2 LOAN FUNDS								
(a) Secured Loans	-		-		-		-	
(b) Unsecured Loans	2,089.07	2,089.07	2,048.86	2,048.86	1,679.28	1,679.28	1,329.87	1,329.87
3 DEFERRED TAX LIABILITY								-
TOTAL		2,319.87		2,279.66		1,909.98		1,560.81

II	<u>APPLICATION OF FUNDS</u>							
1	FIXED ASSETS						-	
	Gross Block	0.17		0.28	-		-	
	Less: Depreciation	0.04		0.04	-			-
	Net Block		0.12		0.23	-		-
2	INVESTMENTS				-	-		-
3	DEFERRED TAX ASSET		0.18		0.20	0.29		
4	CURRENT ASSETS, LOANS & ADVANCES							
	(a) Inventories	2,340.76		2,295.60	1,964.82		1,568.90	
	(b) Sundry Debtors	0.10		-	-		-	
	(c) Cash & Bank Balances	1.77		1.65	7.11		3.60	
	(d) Loans & Advances	24.15		24.16	16.31		-	
		2,366.78		2,321.41	1,988.24		1,572.50	
	LESS: CURRENT LIABILITIES & PROVISIONS							
	(a) Current Liabilities	48.48		43.42	79.61		13.19	
	(b) Provisions	0.21		0.21	0.20		-	
		48.68		43.63	79.81		13.19	
	NET CURRENT ASSETS		2,318.10		2,277.78	1,908.43		1,559.31
5	MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		-		-	-		1.50
6	DEBIT BALANCE IN PROFIT & LOSS ACCOUNT		1.47		1.45	1.26		
	TOTAL		2,319.87		2,279.66	1,909.98		1,560.81

PROFIT & LOSS ACCOUNT FOR NEPTUNE REALTORS PVT. LTD. (In Millions)

	Particulars	As at 30th June 2009	As at 31st March 2009	As at 31st March 2008	As at 31st March 2007
I	<u>INCOME</u>	-	-	-	-
	TOTAL	-	-	-	-
II	<u>EXPENDITURE</u>				
	Cost of Land	-	5.05	63.71	1,566.11
	Construction & Operation Expenses	1.64	153.24	134.49	2.38
	(Increase)/Decrease in Inventories	(45.16)	(330.78)	(395.92)	(1,568.90)
	Staff Expenses	0.54	6.55	3.71	
	Administrative Expenses	0.65	3.19	3.42	0.41
	Selling & Marketing Expenses	-	1.33	1.55	
	Interest & Finance Charges	42.33	161.45	190.54	
	Depreciation	0.01	0.04	-	-
	TOTAL	-	0.07	1.50	(0.00)
III	NET PROFIT OR (LOSS) BEFORE TAX				
		-	(0.07)	(1.50)	0.00
	Add / (Less) Provision for Taxation				-
	Current Tax	-	-	-	-

	Deferred Tax	(0.02)	(0.08)	0.29	-
	Fringe Benefit Tax	-	(0.03)	(0.04)	
IV	NET PROFIT / (LOSS) AFTER TAX	(0.02)	(0.19)	(1.26)	-
V	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	(1.45)	(1.26)		
VI	BALANCE CARRIED OVER TO BALANCE SHEET	(1.47)	(1.45)	(1.26)	-
	Earnings per Share	(0.27)	(2.32)	(18.00)	-

	As at 30th June 2009		As at 31st March 2009		As at 31st March 2008		As at 31st March 2007	
A) CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit / Loss			(0.08)		(1.50)			
Add: Depreciation	0.01		0.04					
Add: Preliminary expenses / Pre-Operative Expenses written off					1.50		0.38	
					-			
Add: Financial expenses	42.33		161.45		185.46		9.80	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		42.33		161.41		185.46		10.18
(Increase) / Decrease in Other Current Assets	(45.26)		(330.78)		(395.92)		(1,568.90)	
(Increase) / Decrease in Loans & Advances	0.01		(7.85)		(16.31)			
Increase / (Decrease) in Current Liabilities	5.05	(40.19)	(36.18)	(374.81)	66.63	(345.61)	13.19	(1,555.71)
Cash generated from Operations		2.14		(213.40)		(160.15)		(1,545.53)
Direct Taxes				(0.03)		(0.04)		
Preliminary expenses						-		(1.88)
NET CASH FROM		2.14		(213.42)		(160.20)		(1,547.41)

OPERATING ACTIVITIES (A)							
<u>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</u>							
Increase in Fixed Assets	0.10		(0.28)				
Increase in Investments							
NET CASH FROM OPERATING ACTIVITIES (B)	0.10		(0.28)		-		
<u>C) CASH FLOW FROM FINANCING ACTIVITIES</u>							
Financial Expenses	(42.33)		(161.45)		(185.46)		(9.80)
Increase / (Decrease) in Capital			0.10		(0.24)		230.94
Increase / (Decrease) in Long Term Borrowings	40.20		369.59		349.40		1,329.87
NET CASH FROM FINANCING ACTIVITIES (C)	(2.12)		208.24		163.71		1,551.01
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	0.12		(5.46)		3.51		3.60
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1.65		7.11		3.60		-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1.77		1.65		7.11		3.60
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD							
Current Accounts With Scheduled Banks	1.70		1.58		6.99		3.60
Cash on Hand	0.07		0.07		0.11		0.00
	1.77		1.65		7.11		3.60

Significant accounting policies & notes to the accounts for the first quarter ended 30th june, 2009.

A. Background

NEPTUNE REALTORS PRIVATE LIMITED is a company registered under the Companies Act, 1956. The Company was incorporated on 20th November, 2006. The company is engaged in the business of Real Estate Development and Construction.

B. Significant Accounting Policies

1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed more fully below, and are consistent with those used in the previous year.

2. 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.

3. Revenue Recognition

Revenue from sale of finished properties / buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer.

Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 35% of the total work involved.

4. Income Taxes

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by the Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefit tax is recognized in accordance with the relevant provisions of Income-tax Act, 1961 and the Guidance Note on Fringe Benefit Tax issued by the ICAI.

5. 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.

6. Depreciation

Depreciation on assets is provided using written down value method at the rates prescribed under schedule XIV of the companies Act, 1956.

7. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders by the total number of equity shares outstanding during the period.

8. Retirement and Other Employee Benefits

The Company has not provided for Gratuity in accordance with actuarial valuation certificate in the Current Quarter since the impact is insignificant.

Any un-availed leave as per company's policy is neither en-cashable nor carried forward by employees.

9. Inventories

Direct expenditure relating to construction activity is inventorised. Cost incurred/Building materials purchased specifically for the projects are taken as consumed as and when incurred/received and are added to the cost of Work in Progress. Project and construction related to Work in Progress is valued at cost till a major portion of the job is completed and thereafter at realizable value and Property development land at lower of cost or net realizable value.

10. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

11. Miscellaneous Expenditure

Miscellaneous expenditure is to be written off fully in the books in accordance with paragraph 56 of AS – 26. Since such miscellaneous expenditure is incurred prior to commencement of business, it qualifies as an expenditure u/s 35D of the Income Tax act. However, the expenditure will be allowed over a period of five years – 1/5th every year.

C. Notes to Accounts

1. The Company has not provided interest provision amounting to Rs 1,40,92,400 on 14% convertible debentures issued to IL & FS Trust Company Ltd & Neptune Developers Pvt. Ltd, by mutual consent. The impact on non provision is nil in the current year since the provision, if made, would form part of Work in Progress.
2. Remuneration to the Auditors

<u>Particulars</u>	<u>Period ending June 30, 2009 (In Rs)</u>
Audit Fees	6,250
Service Tax	644
Total	6,894
<u>Others</u>	
Company Law Retainership Fees	7,500
Service Tax	773
Total	8,273
Consultancy, Advisory and Taxation Matters	30,000
Service Tax	3,090
Total	33,090

3. Earnings per Share

<u>Particulars</u>	<u>Period ending June 30, 2009 (In Rs)</u>
Net Profit / (Loss) after tax	(21,292)
No. of Equity Shares	80,000
Basic Earnings Per Share	(0.27)
(Face Value 10/- per share)	

4. Deferred Tax

The Breakup of Net Deferred Tax Assets / (Liabilities) as at 30th June, 2009 is as follows:

Particulars	Period ending June 30, 2009 (In Rs)
Deferred Tax Liability	
Preliminary Expenses	(21,292)
Gratuity Provision	62,985
Net Deferred Tax Asset/(Liability) for Current Year	2,02,472

Note: Deferred Tax Liability amounting to Rs 5,639 on account of Depreciation as per Companies Act 1956 & Income Tax 1961 has not been provided since the depreciation has been debited to work in progress. The effect of depreciation and consequential Deferred Tax will be provided in the year of revenue recognition.

5. The company is under process of identifying the supplier covered under the Micro, Small and Medium Enterprise and hence the detail of any amount unpaid to such supplier as at the end of accounting year is not furnished. However the company has not made the payment of interest to any supplier.
6. The Work in progress comprises of expenses which under the income tax act would be disallowed due to its nature and stipulation of the act. The nature of expense are depreciation, interest on late payment of TDS, payments made in cash, late payment or non payment of TDS etc. These expenses therefore will be allowed/disallowed from work in progress, depending on the stipulation of the Income Tax Act followed by the Company, in the year in which profit will be first recognized.
7. The Company is a Small & Medium Sized Company (SMC) as defined in General instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the accounting standard as applicable to a small & medium sized company.
8. Contingent Liabilities: Arrears of Preference dividend of Rs 460 for FY 2007-08 and FY 2008-09.
9. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil.
10. Sundry Debit and Credit Balances are subject to Confirmation.
11. The Company's business activities fall within a single segment, viz. real estate and redevelopment and predominantly operate in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.
12. The Accounts are prepared for quarter ended 30th June, 2009. Hence it will not be comparable for the financial year ended 31st March, 2009.

D. Related Party Disclosure

The Management has identified the following Companies, firms and individuals as related parties of the Company for the quarter ended 30th June, 2009 for the purposes of reporting as per AS 18 – Related Party Transactions:

1. Key Management Personnel
 - i) Ramesh Tikuchand Jogani
 - ii) Sachin Manohar Deshmukh
 - iii) Nayan Ashok Bheda
 - iv) Jasmeet Harpalsingh Chhabra

v) Piyush Rameshwar Prasad Gupta

2. Relatives of key management personnel

No transaction with Relatives, hence names of Relatives are not mentioned.

3. Other Related Parties (Enterprise owned or significantly influenced by key management personnel)

Companies

- i) Neptune Developers Pvt. Ltd.
- ii) Thakkar Capital Services Pvt. Ltd.
- iii) Neptune Developers & Constructions Pvt. Ltd. (formerly known as Dhan Shares and Securities Pvt. Ltd.)

Partnership Firm

- i) Neptune Developers
- ii) Neptune Enterprises

A)	Promoters Group	
	PARTICULARS	JUNE 30, 2009
	<u>TRANSACTIONS</u>	
	<u>Interest on Unsecured Loan</u>	
	Neptune Developers Pvt. Ltd.	10,107,562.00
	<u>Loan Taken</u>	
	Neptune Developers Pvt. Ltd.	3,355,000.00
	<u>Reimbursement for Expenses</u>	
	Neptune Developers Pvt. Ltd.	239,225.00
	<u>Fixed Assets Sold</u>	
	Neptune Ventures & Developers Pvt. Ltd.	100,657.00
	<u>CLOSING BALANCE</u>	
	<u>Equity Share Capital</u>	
	Neptune Developers Pvt. Ltd.	298,000.00
	<u>Debentures</u>	
	Neptune Developers Pvt. Ltd.	114,800,000.00
	<u>Unsecured Loan</u>	
	Neptune Developers Pvt. Ltd.	459,881,288.00
B)	Key Management Personnel & their Relatives	

	PARTICULARS	JUNE 30, 2009
	<u>TRANSACTIONS</u>	
	<u>Remuneration</u>	
	Nayan A. Bheda	180,000.00
	Sachin Deshmukh	180,000.00
	<u>CLOSING BALANCE</u>	
	<u>Equity Share Capital</u>	
	Nayan Bheda	1,000.00
	Sachin Deshmukh	1,000.00

**AUDITOR'S REPORT
TO THE DIRECTORS OF
NEPTUNE REALTORS PRIVATE LIMITED**

1. We have audited the attached Interim Financial Statements of **NEPTUNE REALTORS PRIVATE LIMITED** prepared in the manner and format prescribed by the Accounting Standard 25 on 'Interim Financial Reporting' issued by the Institute of Chartered Accountants of India containing Condensed Balance Sheet as at 30th June, 2009, the condensed Profit & Loss Account, the condensed Cash Flow Statement and Selected Explanatory Notes annexed thereto for the three months period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of the said books.
 - (iii) The Interim Financial Statements dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion and to the best of our information and according to explanation given to us, the said financial statements read together with the selected explanatory notes thereon, give the information required by the Accounting Standard 25 on 'Interim Financial Reporting' issued by the Institute of Chartered Accountants of India, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India **except for non furnishing of unaudited Profit and Loss Account for the quarter ended 30th June, 2008:**
 - a) In the case of the Condensed Balance Sheet of the state of affairs of the Company as at 30th June, 2009,
 - b) In the case of the Condensed Profit & Loss Account, of the profit of the Company for the three months period ended on that date and
 - c) In case of the Condensed Cash Flow Statements, of the cash flows for the three months period ended on that date.

FOR SHAPARIA & MEHTA
CHARTERED ACCOUNTANTS

S/d

SANJIV B. MEHTA
PARTNER
MEMBERSHIP NO.: 34950
PLACE: MUMBAI
DATED:

Associates

Following is the list of companies in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the Company (“**Associate**”).

1. Neptune Enclave Private Limited

Corporate Information

Neptune Enclave Private Limited (“**Neptune Enclave**”) was incorporated under the Companies Act as a private limited company on January 18, 2008. Neptune Enclave is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers in India or abroad.

Registered Office

Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083.

Board of Directors

The board of directors of Neptune Enclave as on December 28, 2009 comprises:

1. Mr. Nayan Bheda;
2. Mr. Sachin Deshmukh;
3. Mr. Rene Zerull;
4. Mr. Joachim Fritz; and
5. Ms. Magdalena Maria Ganslmeier (alternate director to Mr. Rene Zerull)

Capital Structure

The capital structure of Neptune Enclave as on December 28, 2009 is as follows:

Particulars	Aggregate nominal value (In Rs. million)
A. Authorised Capital	
25,000,000 equity shares of Rs. 10 each	250
B. Issued, Subscribed and Paid-Up Capital	
25,000,000 equity shares of Rs. 10 each	250

Shareholding pattern

The shareholding pattern of Neptune Enclave as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
	Class A equity shares		
1.	India Basket Limited	20,000,000	80.00
	Class B equity shares		

1.	Mr. Nayan Bheda	100	0.0004
2.	Mr. Sachin Deshmukh	100	0.0004
3.	Neptune Developers Limited	4,999,800	19.9992
	Total	25,000,000	100

Debentures

The details of debentures issued by Neptune Enclave as on December 28, 2009 are as follows:

Name of the debenture-holder	No. of debentures	Percentage of total debentureholding (In %)
15.5% Compulsorily Convertible Debentures		
India Basket Limited	599,09,900	100.00
15.5% Optionally Convertible Debentures		
Neptune Developers Limited	15,090,100	100.00

Financial performance

The audited financial results for Fiscal 2007 do not exist since the company was incorporated in Fiscal 2008. The summary of audited financial of Neptune Enclave for the period ending on June 30, 2009, Fiscal 2009 and Fiscal 2008 are set below:

Particulars	<i>(In Rupees million)</i> For the period ended as on		
	June 30, 2009	March 31, 2009	March 31, 2008
Equity capital	250.00	250.00	250.00
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00	0.00
Income	0.00	0.00	0.00
Profit / (Loss) after tax	(0.00)	(0.03)	(0.07)
Earnings per share (Rs.)	(0.0000)	(0.0014)	(0.0030)
Net asset value per share (Rs.)	9.99	9.99	9.99

Partnerships

Neptune Developers

Corporate information

Neptune Developers was formed as a partnership firm on April 1, 2004. This is not a registered partnership firm under the Indian Partnership Act, 1932. This partnership is presently engaged in the business of construction of building, development of properties, dealing in real estate or such other business.

Principal office

The office of the partnership firm is situated at Neptune House, Karma Stambh Building, Opposite MTNL Office, L.B.S Marg, Vikhroli (West), Mumbai – 400 083.

Profit and loss sharing ratio as on December 28, 2009

Name of partners	Profit & Loss Sharing Ratio
Mr. Nayan Bheda	3%
Mr. Sachin Deshmukh	3%
Mr. Mahesh Shetty	3%
Neptune Developers Limited	91%
Total	100%

Financial Performance

The audited financial results of this firm for the period ending on June 30, 2009, Fiscal 2009, Fiscal 2008 and Fiscal 2007 are as follows:

Particulars	For the period ended on			
	June 30, 2009	March 31, 2009	March 31, 2008	March 31, 2007
Equity / Partners capital	(8.56)	(1.8)	32.01	25.73
Income	0.00	0.00	2.54	0.00
Profit / (Loss) after tax	7.98	(0.083)	2.54	0.00

Shareholders Agreements

Share Subscription cum Shareholders' Agreement ("SSSHA") between our Company, IndiaREIT Enterprise Holdings Limited ("Offshore Fund"), IL&FS Trust Company Limited as trustee to IndiaREIT Fund- Scheme III ("Domestic Fund"), Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Mahesh Shetty and Mr. Nayan Shah dated April 15, 2008 as amended by the aforesaid parties through an amendment agreement dated December 18, 2009 ("Amendment Agreement")

- *Subscription details:* Per the SSSHA:

- a) the Offshore Fund has subscribed to 1,650,698 Equity Shares of Rs. 10 each at a premium of Rs. 90 per Equity Share aggregating to Rs. 165,069,800 and 412,675 Equity Shares of Rs. 10 each at a premium of Rs. 90 per Equity Share aggregating to Rs. 41,267,500. Further, the Offshore Fund has also subscribed to 2,685,380 compulsorily convertible preference shares ("CCPS") of Rs. 10 each at a premium of Rs. 490 per CCPS aggregating to Rs. 1,342,690,000.
- b) The Domestic Fund has subscribed to 671,345 CCPS of Rs.10 each at a premium of Rs. 490 per CCPS aggregating to Rs. 335,672,500 and 412,675 Equity Shares of Rs. 10 each at a premium of Rs. 90 per Equity Share aggregating to Rs. 41,267,500, as per the terms and conditions provided in the SSSHA. The total aggregated investment of Offshore Fund and Domestic Fund (collectively, the "**Investors**") is Rs. 1,884,700,000.

- *Investors' rights:*

Board rights: The SSSHA provides that the Investors shall have right to (i) nominate one person who shall be elected as non-executive director; and (ii) an observer, on the Board of the Company.

- *Termination:* This SSSHA would terminate on the date on which the Investors cease to hold any of the investor securities.
- *Amendment Agreement:* The aforesaid parties have agreed to terminate all the rights of the Investors under the SSHA and the memorandum of understanding dated June 23, 2009 save and except clauses 7, 11.1.2 and 14 of the SSA. In the event the Company fails to obtain the permission for commencement of trading of the Equity Shares from each of the Stock Exchanges within 9 months from the date of the Amendment Agreement ("**IPO Failure Date**"), the Amendment Agreement shall stand terminated and the Articles of Association of the Company shall be amended to reinstate all rights of the Investors in the Company, as they were prior to the Amendment Agreement. All the Investors' rights except the right to nominate a person as non-executive director and an observer, on the Board of the Company have been waived pursuant to the Amendment Agreement.
- The SSSHA and the Amendment Agreement is consistent with the listing agreement in general and clause 49 of the listing agreement in particular.

Share Purchase Agreement between our Company, Neptune Realtors Private Limited ("NRPL") and IndiaREIT Offshore Fund ("Offshore Fund") dated December 28, 2009

- Our Company proposes to purchase 5,005 class A equity shares carrying equal voting and dividend distribution rights (equivalent to 10.01% of class A equity share capital) of NRPL ("Sale Shares") from the Offshore Fund for a consideration of Rs. 650 million ("Sale Consideration") upon receipt of the proceeds from the initial public offering.

- The Sale Shares shall be transferred by the Offshore Fund to our Company simultaneously with the receipt of Sale Consideration. Upon purchase of Sale Shares, our Company shall then hold 50.01% of class A equity shares resulting into NRPL being a subsidiary of our Company.

Investment Agreement (“Agreement”) between the Company (“Promoter”), Neptune Enclave Private Limited (“NEPL”) and India Basket Limited, Cyprus (“Investor”) dated February 8, 2008

- *Subscription details:* Investor has subscribed to 59,909,000 compulsory convertible debentures having an interest which shall be the aggregate of SBI PLR and 300 basis points and 20,000,000 class A equity shares on a total investment of Rs. 799,099,000 into NEPL (**“Investor Investment Amount”**).
- *Utilisation of proceeds:* The utilization of the Investor Investment Amount shall be restricted to purchase of the land in Hyderabad on which the project is to be constructed and payment of taxes on the purchase of such land including appropriate stamp duty pertaining to the land and the applicable registration fees. NEPL may with the prior written approval of the investor, utilize any portion of the Investor Investment Amount for payment of such other project costs as are provided for in the business plan.
- *Termination:* This Agreement may be terminated by the Investor if the closing date has not occurred by February 29, 2007.

Shareholders Agreement (“SHA”) between the Company (“Promoter”), Neptune Enclave Private Limited (“NEPL”) and India Basket Limited (“Investor”) dated February 8, 2008

- *Rights of the parties:*
 - a) *Board rights:* The SHA provides that from the closing date so long as the Investor holds class A equity shares, the Investor shall have right to nominate two persons who shall be elected as directors on the board of NEPL. Further, from the closing date so long as the Promoter holds class B equity shares, the Promoter shall have right to nominate two persons who shall be elected as directors on the board of NEPL. The chairman of the board shall be a director appointed/nominated by the Promoter. The chairman shall not have a casting or second vote at any meeting of the board or any committee thereof or at any general meeting in the event of any equality of votes.
 - b) *Right of first refusal:* The SHA further provides for a “right of first refusal” whereby, if the Promoter proposes to seek any investor for making any investment in FDI compliant project in Hyderabad within a radius of 7.5 kms from the land in Hyderabad on which the project is to be constructed , including purchase and development of the land adjoining the project land, the Promoter shall at the first instance offer the proposal for making the investment in the aforesaid projects to the Investor and make available to the Investor all the requisite details to enable the Investor to take a decision whether to make such investment or not.
 - c) *Transfer of securities:* The Promoter shall not transfer the securities held by the Promoter to any third party until the completion of the project to the Investor’s satisfaction. The Investor shall have the ability to transfer the securities held by it to any of its affiliates or affiliates of Real IS AG provided that such affiliate shall have undertaken to the Promoter and NEPL in the form and content mutually agreeable to the parties including the Investor, to abide by the provisions of the SHA and to re-transfer such Investor Securities held/transferred to it, if it ceases to be an affiliate of the Investor. The SHA also provides for a tag-along right for the Investor whereby at the Investor’s option, if the Promoter either directly or indirectly proposes to transfer all or part of the securities held by it to a third party in a single or a series of transactions, any such transfer shall be conditioned upon such third party transferee(s) agreeing to acquire from the Investor, all or any of the securities held by the Investor as required by the Investor, the securities held by the Investor on the same terms and conditions as would be received by the Promoter. Upon identifying the third party transferee(s) to acquire the securities held by the Promoter, the Promoter shall communicate the same to the Investor through a sale notice. The SHA also provides for a drag along right whereby if the Promoter is not able to ensure completion of the project within the extended project timeline, the Investor may opt to sell the securities held by it to any person as it may desire and also require the Promoter to sell the securities held by the Promoter to such person at the same price per share and per debenture as the Investor shall obtain for the Securities held by the investor. The Investor shall give a notice (**“Drag Along Notice”**) to the Promoter setting out its intention to sell the securities held by it and to require the Promoter to sell the securities held by it. By the Drag Along Notice, the Investor shall require the Promoter either to sell the securities held by the Promoter at the price so quoted in the said notice, or to acquire the securities held by the Investor at the same price (**“Promoter Options”**). The Promoter shall communicate to the Investor one of the Promoter options within a period of 15 business days from the receipt of the Drag Along

Notice, failing which the Promoter shall be bound to sell the securities held by it at the price stated in the said notice to the person named in the Drag Along Notice. In the event the Promoter opts to acquire the securities held by the Investor, the Promoter shall acquire the same and pay the price thereof within a period of 25 business days from the date of receipt of Drag Along Notice by the Promoter. On the other hand, if the Promoter opts to sell its shares at the price stated in the Drag Along Notice from the Promoter, or is bound to sell the securities held by the Promoter at that price from the Investor shall take place within 60 business days from the date of receipt of the Drag Along Notice by the Promoter, provided that the Promoter shall not be bound to sell the securities held by it unless the Investor also shall have sold the securities held by the Investor to the person specified in the Drag Along Notice. The sale and transfer of the securities held by the Investor and the Promoter respectively stipulated above, shall take place on the same day on spot delivery basis.

- d) *Voting rights:* The SHA further provides for all class A equity shares arising on account of conversion of any Investor debentures, shall, notwithstanding the actual percentage of the paid-up share capital of NEPL in the total aggregate have voting rights equivalent to 50% of the paid-up share capital of NEPL. All class B equity shares, arising on account of conversion of any convertible debentures held by the Promoter, shall, notwithstanding the actual percentage of the paid-up share capital of NEPL in the total aggregate have voting rights equivalent to 50% of the paid-up share capital of NEPL.

Share Subscription cum Shareholders' Agreement ("SSSHA") between our Company, Neptune Realtors Private Limited ("NRPL"), IndiaREIT Offshore Fund ("Offshore Fund") and IL&FS Trust Company Limited as trustee to IndiaREIT Fund – Scheme I ("Domestic Fund" and together with the Offshore Fund, the "Investors") dated February 7, 2007

- *Subscription details:* Offshore Fund subscribed to 92,166,000 compulsorily convertible debentures ("CCDs") of Rs. 10 each at par through its subsidiary in Cyprus namely, Lunilez Ventures Limited, 23,000,000 optionally convertible redeemable preference shares ("OCPS") of Rs. 10 each at par, 24,000 class A equity shares of Rs. 10 each at par and 10,000 class D equity shares of Rs. 10 each at par. Further, the Domestic Fund has subscribed to 28,784,000 CCDs of Rs. 10 each at par, 6,000 class A Equity Shares of Rs. 10 each at par and 10,000 class C equity shares of Rs. 10 each at par. Our Company has subscribed to 10,000 class A equity shares of Rs. 10 each at par, 10,000 class B equity shares of Rs. 10 each at par and 11,480,000 OCPS of Rs. 10 each at par. However, pursuant to the fourth amendment agreement dated August 30, 2009, the Offshore Fund converted 92,166,000 debentures held by it into 10,000 class E equity shares of Rs. 10 each and premium of Rs. 92,156 per equity shares pursuant to the terms and conditions of the SSSHA and the fourth amendment agreement.
- *Terms of the class A, class B, class C, class D and class E equity shares*
 - Class A equity shares: A holder of a class A equity shares would have equal voting and equal dividend distribution rights in NRPL. The dividend payable on class A equity shares shall be subject to the availability of distributable profits after the payment of dividend on class B equity shares, class C equity shares, class D equity shares and class E equity shares.
 - Class B equity shares: A holder of class B equity shares would have no voting or veto rights in the SPV and would have differential distribution rights for distribution of profits from NRPL as provided in the SSSHA
 - Class C equity shares: A holder of class C equity shares would have no voting or veto rights in the SPV and would have differential distribution rights for distribution of profits from NRPL as provided in the SSSHA.
 - Class D equity shares: A holder of class D equity shares would have no voting or veto rights in the SPV and would have differential distribution rights for distribution of profits from NRPL as provided in the SSSHA.
 - Class E equity shares: A holder of class E equity shares would have no voting or veto rights in the SPV and would have differential distribution rights for distribution of profits from NRPL as provided in the SSSHA.
- *Rights of the parties:*
 - a) *Board rights:* The board of NRPL consists of 6 directors of which 3 directors are appointed by the Investors (i.e. the Domestic Fund and the Offshore Fund) and 3 directors are appointed by the Company. One of the directors as appointed by the Investors shall be the chairman of the board. The chairman shall have a second or casting vote to decide on all matters other than those specified in Section 11.1.

- b) The Company shall nominate one person to be the chief executing officer (“CEO”) of NRPL. The CEO shall be a person resident in Mumbai.
 - c) *Right of first refusal:* In the event that the Company desires to undertake any further development project within a 2 kms radius around the project prior to the project completion date and sale of units therein, the Company shall give to the Investors a first right of refusal to invest in the development in such new development project. The Investor shall respond to the proposal within a maximum period of 30 days from the said notice. In the event that the Investors desire not to invest in the said new development project or otherwise do not convey their acceptance of the Company’s proposal within the said period of 30 days, the Company shall be entitled to undertake such project itself or together with any other person or party.
 - d) *Lock-in and transfer of stake:* The securities of NRPL held by the Investors shall be subject to lock-in and shall not be sold by them for a period of 42 months from the date of execution of SSSHA or the project completion date, whichever is earlier. The securities held by the Company shall be subject to lock in and not sold by it till the project completion date. After the aforesaid lock in period either the Investors or the Company (hereinafter called “**the selling shareholder**”) may transfer the securities of NRPL held by them to any other person as it may deem fit subject to the other Party having a first right of refusal to purchase the same. At any time after the said period of 42 months or the project completion date, whichever is earlier, in the event that the Investors together hold a majority of the Class A equity shares of NRPL and as such majority shareholders wish to sell all the securities of NRPL held by them to a *bona fide* purchaser at arm’s-length (“**third party**”), whether in one transaction or a series of transactions, then they shall give a 30 days notice to the Company of their intention to sell their securities to the third party and the notice so given shall specify: (i) the price per share; (ii) the number of shares proposed to be transferred (iii) the identity of the third party; and (iv) material terms and conditions of the proposed transfer. In such a case, the Investors shall have an option (the “**Drag Along Right**”) to require the Company to sell to that third party or its nominee all of the securities of NRPL held by the Company at the same price and on the same terms as agreed with the third party and they shall additionally specify in the notice, its intention to exercise its Drag Along Right.
- *Indemnity:* The Company shall indemnify and hold safe harmless and indemnified the Investors of/ from and against any claims made upon the Investors or NRPL in relation to the construction carried out on the project whether by reason of the construction being faulty.
 - *Termination:* This Agreement shall terminate upon the mutual consent of the Investors and the Company; and the date on which no Investors securities are outstanding.
 - *Amendment Agreements:* The parties have entered into an amendment agreement dated August 8, 2007 whereby, the terms of non-convertible debentures (“**NCDs**”) held by the developer, and the CCDs held by the Investors have been modified to replace the clause ‘security’ with clause ‘ranking’ and the aforesaid debentures now rank *pari passu* with each other. Further, upon this amendment, the interest on the aforesaid debentures shall accrue from April 1, 2007 respectively, and the same will only become payable upon NRPL having sufficient profits and cash flow to pay such interest.
 - The Parties further entered into an amendment agreement dated May 12, 2008 whereby, clause 1.4(a)(v) of the SSSHA was modified from NRPL being able to make the payment of Rs. 365 million on account of and towards consultancy fees for the project or towards the directors’ remuneration to the promoters of the developer or otherwise to NRPL being able to make the payment of Rs. 365 million to the developer on account of and towards consultancy fees for the project or towards any other fee / payments to be paid / made to the developer.
 - The parties have further entered into an amendment agreement dated March 27, 2009 whereby, the terms of the NCDs allotted to the developer, and the CCDs held by the Investor have been modified to substitute the clause on ‘interest accrual and payment’ to accrue the interest on the aforesaid debentures at the rate of 0% per annum for the financial year 2008-09, and thereafter the interest shall accrue at the rate of 14% per annum, or such higher interest as the debenture holders may decide, from the 3rd anniversary of the date of subscription of to the aforesaid CCDs.
 - The parties (including Lunilez Ventures Limited (“**Cyprus Company**”), which is the subsidiary of the Offshore Fund) have further entered into a fourth amendment agreement dated August 31, 2009 whereby, the parties agreed that the CCDs held by the Cyprus Company will accrue interest for the period from April 1, 2008 until August 31, 2009. The parties further agreed that the debentures held by the developer and the Domestic Fund will not accrue interest for the period from April 1, 2008 until March 31, 2010. The parties further agreed to convert the debentures held by Cyprus Company into

10,000 class E equity shares at a par value of Rs. 10/- per class E equity shares and a premium of Rs. 92,156 per class E equity share.

Guarantees, given to third parties by the Promoters

Except as disclosed in sections titled “**Risk Factors**” and “**Financial Indebtedness**” beginning on pages xiii and 194, respectively of this Draft Red Herring Prospectus, there are no Guarantees, given to third parties by the Promoters.

Trademark License Agreement dated December 18, 2009

Mr. Nayan Bheda and Mr. Sachin Deshmukh have licensed the trademark “Neptune Group” in favour of our Company, Neptune Developers Limited, through the trademark license agreement dated December 18, 2009. By virtue of the aforesaid trademark license agreement, our Company has the irrevocable, perpetual and an unrestricted right (including the right to sub-license) to use the aforesaid trademark until revoked.

Other Agreements

Except as disclosed in this Draft Red Herring Prospectus, there is no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us and there are no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

Strategic partners / financial partners

As on the date of filing this Draft Red Herring Prospectus, the Company has no strategic partners / financial partners.

Management

Our Articles of Association require us to have not less than 3 and not more than 12 Directors. We presently have 6 Directors, of which 2 are whole-time Directors and 2 are independent Directors.

The following table sets out the current details regarding our Board as on the date of the filing of this Draft Red Herring Prospectus:

Name, Father's Name, Designation, Occupation and DIN	Age (In years)	Address	Other Directorships/ Partnerships/ Trusteeships
Mr. Kamlesh Vikamsey Father's Name: Mr. Shivji K. Vikamsey Designation: Chairman, Non-Executive and Independent Director DIN: 00059620 Occupation: Chartered Accountant Nationality: Indian Date of Appointment: September 26, 2009 Term: Till the next AGM of the Company	49	194, Kalpataru Habitat, Tower – A, Dr. S.S.Rao Road, Parel, Mumbai – 400 012	<i>Directorships:</i> <ol style="list-style-type: none"> 1. Aditya Birla Retail Limited; 2. Axis Mutual Fund Trustee Limited; 3. CheKam Properties Private Limited; 4. Fabmall (India) Private Limited; 5. General Insurance Corporation of India Limited; 6. H.A.S. Two Holdings Private Limited; 7. HLB Offices & Services Private Limited; 8. HLB Technologies (Mumbai) Private Limited; 9. Navneet Publications (India) Limited; 10. Man Infraconstruction Limited; 11. Ramky Infrastructure Limited; 12. Terrafirma Agro Processing (India) Private Limited; 13. Trinethra Superretail Private Limited; and 14. VarAsh Properties Private Limited; <i>Partnerships:</i> M/s Khimji Kunverji & Co. <i>Trusteeships:</i> <ol style="list-style-type: none"> 1. Global Vipassana Foundation; 2. Dhamma Pattan Vipassana Kendra; 3. Dhyana Sadhana Trust; and 4. Pune CA Student Hostel.

Name, Father's Name, Designation, Occupation and DIN	Age (In years)	Address	Other Directorships/ Partnerships/ Trusteeships
Mr. Nayan Bheda Father's Name: Mr. Ashok K Bheda Designation: Managing Director DIN: 00142737 Occupation: Business Nationality: Indian Date of Appointment: July 15, 2004 Term: 3 years	37	1401 / 1402, Raj Darshan Co-operative Housing Society Ltd, 14th Floor, Behind Jain Temple, Sarvodaya Nagar, Mulund (West), Mumbai – 400 080*	<i>Directorships:</i> 1. Juhi Realtors Private Limited; 2. Neptune Developers and Constructions Private Limited; 3. Neptune Enclave Private Limited; 4. Neptune Homes Private Limited 5. Neptune Housing and Realty Private Limited; 6. Neptune Oil and Energy Ventures Private Limited; 7. Neptune Realtors Private Limited; 8. Neptune Realtors and Developers Private Limited; 9. Neptune Realty and Property Management Private Limited; 10. Neptune Residency Private Limited; 11. Neptune Ventures and Developers Private Limited; and 12. NMS Holdings Private Limited. <i>Partnerships:</i> 1. Neptune Constructions; and 2. Neptune Developers.
Mr. Sachin Deshmukh Father's Name: Mr. Manohar Deshmukh Designation: Executive Director DIN: 00142661 Occupation: Business Nationality: Indian Date of Appointment: July 15, 2004 Term: 3 years	38	Man- Sneh, Purushottam Kheraj Road, Mulund (West), Mumbai 400 080	<i>Directorships:</i> 1. Deshmukh Projects Developers Private Limited; 2. Neptune Developers and Constructions Private Limited; 3. Neptune Enclave Private Limited; 4. Neptune Homes Private Limited; 5. Neptune Housing and Realty Private Limited; 6. Neptune Oil and Energy Ventures Private Limited; 7. Neptune Realtors Private Limited; 8. Neptune Realtors and Developers Private Limited; 9. Neptune Realty and Property Management Private Limited; 10. Neptune Residency Private Limited; 11. Neptune Ventures and Developers Private Limited; and 12. NMS Holdings Private Limited. <i>Partnerships:</i>

Name, Father's Name, Designation, Occupation and DIN	Age (In years)	Address	Other Directorships/ Partnerships/ Trusteeships
			1. Neptune Contructions; and 2. Neptune Developers.
Mr. Mahesh R. Shetty Father's Name: Mr. Raghu Shetty Designation: Non Executive and Non Independent Director DIN: 01526975 Occupation: Entrepreneur Nationality: Indian Date of Appointment: July 15, 2004 Term: Liable to retire by rotation	45	1305, 13 th Floor, Kalinga Mulund Jogeshwari, Link Road, Mulund (West), Mumbai 400080	<i>Directorships:</i> 1. Prithviraj Shares and Securities Private Limited; 2. Neptune Ventures and Developers Private Limited; and 3. MT Educare Private Limited. <i>Partnerships:</i> 1. Mahesh Tutorials, Chembur; 2. Mahesh Tutorials, Mulund; 3. Neptune Developers; and 4. Neptune Contructions.
Mr. Ramesh Jogani Father's Name: Mr. Tikuchand Durgaji Jogani Designation: Non-Executive and Non-Independent Director (Nominee of IndiaREIT Enterprise Holdings Ltd) DIN: 00024828 Occupation: Business Nationality: Indian Date of Appointment: April 1, 2008 Term: Liable to retire by rotation	46	1601, Veena Apartments, Walkeshwar Road, Mumbai 400006	<i>Directorships:</i> 1. Ashna Realtors Private Limited; 2. Ashvi Developers Private Limited; 3. Dharti Cine Enterprises Private Limited; 4. Flagship Infrastructure Private Limited; 5. IndiaREIT Fund Advisors Private Limited; 6. Jogani Contructions Limited; 7. Naresh Developers Private Limited; 8. Neptune Realtors Private Limited; 9. Pantheon Exports Private Limited; 10. Rahul Homes Private Limited; 11. Ravi Kiran Properties Private Limited; 12. Samira Realty Projects Private Limited; 13. Samira Getaways and Properties Private Limited; 14. Sanjana Properties Private Limited; 15. Sanjana Home Private Limited; 16. Sapne Premises Private Limited; and 17. SSPDL Retreat Private Limited. <i>Partnerships</i> 1. Panorama Films 2. Rajesh Construction (Bombay) 3. R.J. Realtors 4. Nikita Properties 5. R.J. Exhibitors 6. Indus Developers 7. R&J enterprise 8. Pure Café

Name, Father's Name, Designation, Occupation and DIN	Age (In years)	Address	Other Directorships/ Partnerships/ Trusteeships
			9. Pacific Developers 10. Hitech Developers 11. Buddha Enterprise 12. Kalpana Builders 13. Parshwa Constructions
Mr. Nassereddin Munjee Father's Name: Late Mr. Mukhtar Cassamally Designation: Independent Director DIN: 00010180 Occupation: Business Nationality: Indian Date of Appointment: December 1, 2009 Term: Till the next AGM of the Company	57	Benedict Villa, House No.471, Saud Vaddo, Chorao Island, Tiswadi, Goa – 403102, India	<i>Directorships</i> 1. Aga Khan Rural Support Programme (India) AKRSP, I 2. Development Credit Bank Limited 3. ABB Limited 4. Ambuja Cements Ltd. 5. Apollo Heath Street Limited 6. BHARTI AXA Life Insurance Co. Ltd. 7. Bharati AXA General Insurance Company Ltd. 8. Britannia Industries Ltd., 9. Cummins India Limited 10. Emerging Market South Asia Fund 11. First American Securities Pvt. Ltd. 12. GIBA Holdings Private Limited 13. HDFC Limited 14. Tata Motors Limited 15. Tata Chemicals Limited 16. Shipping Corporation of India Ltd. 17. Unichem Laboratories Limited 18. Voltas Limited <i>Others</i> 1. Indian Institute of Human Settlements - Member 2. Himalayan Ski Village Pvt. Ltd. Founder Member; and 3. Muniwar-Abad Charitable Trust – Chairman.

* The Company has filed the form DIN 4 for change in address on December 28, 2009.

Brief biographies of our Directors

Mr. Kamlesh Vikamsey, aged 49 years, is the chairman, non-executive and independent Director of the Company. He holds a bachelor's degree in Commerce from the University of Mumbai. Mr. Vikamsey is a qualified Chartered Accountant, and is registered as a fellow with the Institute of Chartered Accountants of India since 1982 and has over 27 years of experience in auditing, taxation, corporate and personal advisory services. He has been associated with M/s Khimji Kunverji & Co. as a senior partner since 1982. He held the post of the President of the ICAI during 2005-2006 and was the Vice President of the ICAI during 2004- 2005. He has been an elected member of the Central Council of the ICAI from 1998 until 2007. He was a Board Member of the International Federation of Accountants from 2005 until 2008. He served as the Chairman – Strategic Committee of the Confederation of Asian and Pacific Accountants from 2006 to 2008. He has served as a member of various advisory and expert committees at national and international levels, including as a member of the Steering Committee for Comprehensive Review of Governance and Oversight within the United Nations and as a member of the Accounting Standards Committee and Secondary Market Advisory Committee of SEBI.

Mr. Nayan Bheda, aged 37 years, is the managing Director of the Company. He holds a bachelor's degree in commerce from Mumbai University. He has 14 years of experience in the construction and real estate industry. He provides strategic guidance

and is in-charge of the group. Prior to his joining the Company, he was executing senior management responsibilities at Nirmal Lifestyle Group.

Mr. Sachin Deshmukh, aged 38 years, is an executive Director of the Company. He holds a bachelor's degree in arts from the Mumbai University. He has more than 14 years of experience in the construction and real estate industry. He heads the legal, liaison and administrative functions at the Company. Prior to his joining the Company, he was executing senior management responsibilities at Nirmal Lifestyle Group.

Mr. Mahesh Shetty, aged 45 years, is a non executive and non independent director of the Company. He holds a bachelor's degree in science as well as in education from Mumbai University. He has more than 23 years experience in the education sector. He also promotes Mahesh Tutorials, which is engaged in the field of academic coaching. In February 2008, he was awarded the "Pride of the Nation Award" by All India Achievers' Conference, New Delhi.

Mr. Ramesh Jogani, aged 46 years, is a non-executive and non-independent Director of the Company, and has been nominated on the Board by IndiaREIT Enterprise Holdings Limited. He holds a bachelor's degree in arts with economics honors from Mumbai University. He has an experience of more than 22 years in real estate development in Mumbai. He is currently the chief executive officer and managing director of IndiaREIT Fund Advisors Private Limited. He has played a leading role in raising and deployment of its fund corpus.

Mr. Nasseruddin Munjee, aged 57 years is a non-executive and independent Director of the Company. He holds a Master's Degree in economics from the London School of Economics. He is currently the Chairman of Development Credit Bank Limited. He is also a director on the board of several companies such as ABB Limited, Ambuja Cements Limited, Apollo Health Street Limited, Bharti-Axa Life Insurance Company Limited, Cummins India Limited, Indian Railway Finance Corporation Limited, Housing Development Finance Corporation Limited, Tata Chemicals Limited, Tata Motors Limited, The Shipping Corporation of India Limited, Unichem Laboratories Limited and Voltas Limited. Along with being the Chairman of Development Credit Bank he heads a couple of other Aga Khan institutions in India. He was the President of the Bombay Chamber of Commerce and Industry and he has served on numerous Government Task Forces on Housing and Urban Development.

Relationship between the Directors

None of the Directors are related to each other.

Borrowing powers of our Directors

Our Articles, subject to the provisions of the Companies Act, authorise our Board to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Pursuant to a resolution passed on December 2, 2009 authorised the Board to borrow monies not exceeding Rs. 5000 million at any time.

Details of Remuneration of the Directors

Executive Directors

The following table sets forth the details of the gross remuneration for our whole time directors for the period between April 1, 2007 and March 31, 2008 and April 1, 2008 and March 31, 2009.

Sr. No.	Name	Basic Salary	Dearness Allowance	House Rent Allowance	Other Benefit	Gross Total
March 31, 2009						
1	Mr. Nayan Bheda	7,20,000	0	0	0	7,20,000
2	Mr. Sachin Deshmukh	7,20,000	0	0	0	7,20,000
March 31, 2008						
1	Mr. Nayan Bheda	3,00,000	0	0	0	3,00,000
2	Mr. Sachin Deshmukh	3,00,000	0	0	0	3,00,000

Details of Appointment and Remuneration of the Managing Director and Executive Director

Remuneration payable to Mr. Nayan Bheda as Managing Director

The shareholders of the Company in the meeting held on December 18, 2009 had approved to pay the following remuneration to Mr. Nayan Bheda as managing director for three years with effect from December 1, 2009.

The remuneration payable to him is Rs. 400,000 per month (with effect from December 1, 2009). The details of remuneration payable to him include the following:

- Basic Salary: Rs. 160,000.
- House Rent allowance: Rs. 80,000.
- Leave travel allowance: Rs. 40,000.
- Transport allowance: Rs. 800.
- Medical allowance: Rs. 1,250.
- Education allowance: Rs. 8,000.
- Multi-skilling allowance: Rs. 109,950.

Minimum Remuneration: The remuneration and perquisites shall be subject to the overall ceiling under Section 198 and 309 of the Act. In the event of absence or inadequacy of profit in any financial year during the tenure of the Managing Director, salary and perquisites would be paid as above, subject to the ceiling limit specified under paragraph 1 of Section II of Part II of Schedule XIII of the Act as modified from time to time.

Contribution to provident fund, gratuity payable and encashment of leave at the end of the tenure will not be included in the computation of ceiling on remuneration as aforesaid.

Termination: The appointment may be terminated by either party giving to the other party a notice of not less than 1 month of such termination or by payment of an amount equivalent to 1 months' salary in lieu of notice of such termination.

The above remuneration is and shall always be within the ceiling laid down in sections 198, 269, 310 and 311 read with Schedule XIII to the Companies Act as modified from time to time.

Remuneration payable to Mr. Sachin Deshmukh as Executive Director

The shareholders of the Company in the meeting held on December 18, 2009 had approved to pay the following remuneration to Mr. Sachin Deshmukh as executive director for three years with effect from December 1, 2009.

The remuneration payable to him is Rs. 400,000 per month (with effect from December 1, 2009). The details of remuneration payable to him include the following:

- Basic Salary: Rs. 160,000.
- House Rent allowance: Rs. 80,000.
- Leave travel allowance: Rs. 40,000.
- Transport allowance: Rs. 800.
- Medical allowance: Rs. 1,250.
- Education allowance: Rs. 8,000.
- Multi-skilling allowance: Rs. 109,950.

Minimum Remuneration: The remuneration and perquisites shall be subject to the overall ceiling under Section 198 and 309 of the Act. In the event of absence or inadequacy of profit in any financial year during the tenure of the whole time director, salary and perquisites would be paid as above, subject to the ceiling limit specified under paragraph 1 of Section II of Part II of Schedule XIII of the Act as modified from time to time.

Contribution to provident fund, gratuity payable and encashment of leave at the end of the tenure will not be included in the computation of ceiling on remuneration as aforesaid.

Termination: The appointment may be terminated by either party giving to the other party a notice of not less than month of such termination or by payment of an amount equivalent to 1 months' salary in lieu of notice of such termination.

The above remuneration is and shall always be within the ceiling laid down in sections 198,269,310 and 311 read with Schedule XIII to the Companies Act as modified from time to time.

Non-Executive and Independent Directors

Our Company has not paid any sitting fees to its non executive and independent Directors during the preceding three financial years.

The Non Executive Directors of the Company are paid sitting fees as permitted under the Companies Act, and actual travel, boarding and lodging expenses for attending meetings of the Board of Directors and its sub-committees. They may also be paid commission and any other amounts as may be decided by the Board in accordance with the provisions of the Articles of Association, the Companies Act and any other applicable Indian laws and regulations.

There is no service contract entered into by the Directors providing for benefits upon termination of employment. There is no contingent or deferred compensation payable to the Directors.

Corporate Governance

At present, we have 2 independent Directors on our Board. We are currently in compliance with the requirements of corporate governance set forth in terms of Clause 49 of the equity Listing Agreement, particularly those relating to the composition of the Board of Directors, constitution of committees including the Audit Committee and Shareholder/Investor Grievance Committee.

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such Listing Agreement, particularly, in relation to appointment of independent directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue 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 6 Directors, of which the Chairman of the Board is a non executive and independent director, and in compliance with the requirements of Clause 49 of the Listing Agreement, our Company has 2 executive directors and 2 non-executive directors on our Board, of whom 2 are independent directors.

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following committees:

- (a) Audit Committee; and
- (b) Shareholders' Grievance Committee.

Audit Committee

Our audit committee was constituted by board resolution dated December 1, 2009 ("**Audit Committee**"). Currently our Audit Committee comprises of the following members:

1. Mr. Kamlesh Vikamsey (Independent Director) – Chairman;
2. Mr. Nassereddin Munjee (Independent Director); and
3. Mr. Ramesh Jogani (Non-executive Director).

The terms of reference of the Audit Committee is in accordance with the Companies Act and the Listing Agreement as amended from time to time and include the following:

- (a) Overseeing our financial reporting process and the disclosure of our financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommending the Board regarding the fixation of the audit fee;
- (c) Approving of payment of statutory auditors for any other services rendered by them;
- (d) Reviewing with the management the half yearly and annual financial statements before submission to the Board;
- (e) Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- (f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

- (g) Discussing with internal auditors regarding any significant findings and follow up thereon;
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (i) Discussing with external auditors before the audit commences, nature and scope of the audit, as well as have post audit discussion to ascertain any area of concern;
- (j) Reviewing our financial and risk management policies;
- (k) Looking into the reason for substantial defaults in payments to depositors, debenture holders, shareholders and creditors;
- (l) Reviewing the functioning of the whistle blowing mechanism, in case the same is formulated;
- (m) Reviewing, 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 utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of public or rights issue and making appropriate recommendations to the board to take up steps in this matter; and
- (n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Secretary of the Audit Committee is Ms. Siddhi Shah, Company Secretary. The Audit Committee is required to meet at least four times in a year, i.e. once before the finalisation of annual accounts and once in every six months. The quorum for the meetings is two members or one third of the total number of members, whichever is higher, provided there is a minimum of two independent members present.

Shareholders' Grievance Committee

Our shareholders' grievance committee was constituted by board resolution dated December 1, 2009 ("**Shareholders' Grievance Committee**"). Currently, the Shareholders' Grievance Committee comprises of the following members:

1. Mr. Kamlesh Vikamsey (Independent Director) – Chairman;
2. Mr. Sachin Deshmukh (Executive Director); and
3. Mr. Ramesh Jogani (Non-executive Director).

Our Company Secretary is the secretary of the committee. The Shareholder's Grievance Committee shall, *inter alia*, oversee the redressal of shareholder's and/or investors' complaints and/or grievances pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission (with or without legal representation) of shares and other miscellaneous complaints.

The Shareholder's Grievance Committee is required to meet periodically, as it deems fit. The quorum for the committee is the presence of one third of the total number of members or two directors, whichever is higher.

Remuneration Committee

The constitution of a Remuneration Committee is a recommendatory clause under the Listing Agreement. However, the Company has constituted a remuneration committee for determining the remuneration payable to executives below the Board level as per our board resolution dated December 1, 2009. Presently, the remuneration committee comprises the following members:

1. Mr. Kamlesh Vikamsey (Independent Director) – Chairman
2. Mr. Nassereddin Munjee (Independent Director); and
3. Mr. Ramesh Jogani (Non Executive Director).

IPO Committee

The Board has constituted an IPO committee by a Board resolution dated December 1, 2009 ("**IPO Committee**"). The composition of the IPO Committee is as follows:

1. Mr. Kamlesh Vikamsey (Independent Director) – Chairman;
2. Mr. Nassereddin Munjee (Independent Director); and
3. Mr. Ramesh Jogani (Non-executive Director).

The IPO Committee shall *inter alia* be responsible for handling the following matters:

- (a) Take all decisions relating to the issue including the appointment of various intermediaries and other advisors for the issue;
- (b) To prepare and finalise with the Book Running Lead Manager, the draft red herring prospectus, red herring prospectus and prospectus and to do all requisite filings with SEBI, the Stock Exchanges, RBI, and such other authorities as may be necessary in relation to the Issue;
- (c) To execute all documents and contracts for the issue including the memorandum of understanding with the Book Running Lead Manager, escrow agreement, syndicate agreement, etc;
- (d) To determine and finalise the price band for the issue, approve the basis for allocation and confirm allocation of the Equity Shares.
- (e) To do all such acts, deeds and things as may be required to dematerialise the equity shares of the Company and to sign agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;
- (f) To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
- (g) To finalise the basis of allotment of equity shares in consultation with Book Running Lead Manager, Registrar and the designated stock exchange;

Changes in our Board of Directors during the last three years

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

Name	Date of joining/appointment	Date of cessation	Reason
Mr. Ramesh Jogani	April 1, 2008	-	-
Mr. Kamlesh Vikamsey	September 26, 2009	-	-
Mr. Nassereddin Munjee	December 1, 2009	-	-

Shareholding of Directors in our Company

Our Articles do not require our Directors to hold any Equity Shares. The following are the details of the shareholding of our Directors in our Company as on the date of filing of this Draft Red Herring Prospectus:

Name of Directors	Number of Equity Shares (Pre-Issue)
Mr. Nayan Bheda	18,200,000
Mr. Sachin Deshmukh	17,500,000
Mr. Mahesh Shetty	6,635,629
Mr. Ramesh Jogani	Nil
Mr. Kamlesh Vikamsey	Nil
Mr. Nassereddin Munjee	Nil

Interest of our Directors

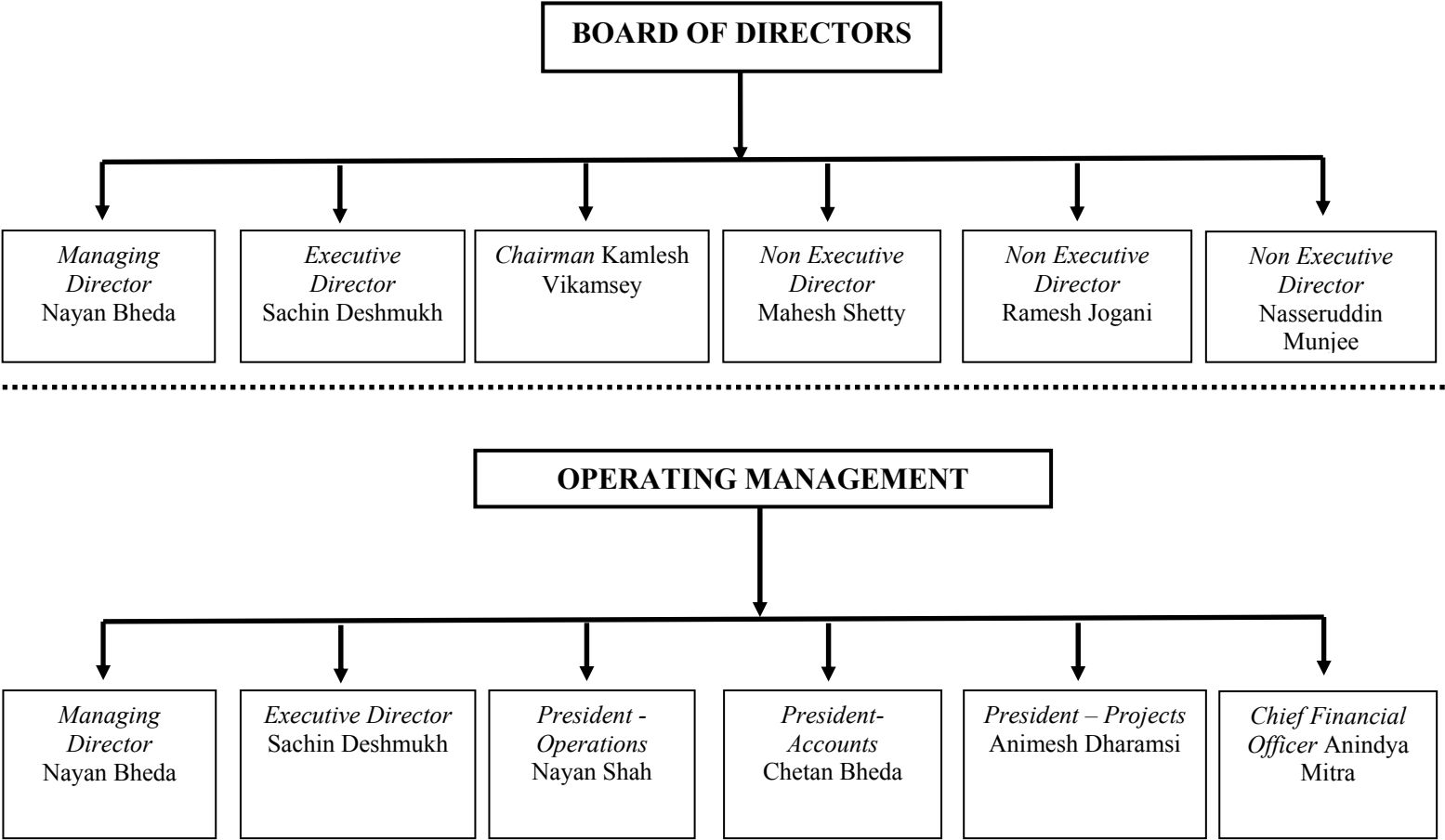
All of our Directors may be deemed to be interested to the extent of fees payable to them if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any under our Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/ firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Organisation Structure



Key Managerial Personnel

Brief profile of the key managerial personnel is as follows:

Mr. Nayan Shah, aged 37 years, is the head of finance, business development and investor relationship management. He is an integral part of the core management team at Neptune. He brings his significant knowledge in finance and real estate property to complement the management team. Mr. Shah has 11 years of experience in real estate. Prior to joining Neptune group, Mr. Shah had his own entrepreneurial venture. Mr. Shah joined our Company on October 1, 2009.

Mr. Chetan Bheda, aged 41 years, is a Chartered Accountant with 20 years of experience, leads the group in accounting / audit and taxation functions. Mr. Bheda is a part of the strategic management team of the company. Mr. Bheda had his own accounting practice before joining Neptune group. Mr. Bheda was engaged by us as a consultant and w.e.f. he has been employed by the Company.

Mr. Animesh Dharamsi, aged 38 years, is in-charge of execution of the projects by meeting the goals and the timelines stipulated in case of each project. He also heads the supply chain management, construction and engineering. He also handles co-ordination and liaison activities with most of our external consultants/associates who are involved in the group's activities in any manner. Mr. Dharamsi has 7 years of experience in real estate. Prior to joining Neptune group, Mr. Dharamsi had his own entrepreneurial venture. Mr. Dharamsi joined our Company on October 1, 2009.

Mr. Anindya Mitra, aged 58 years, is a fellow of the Institute of Chartered Accountants of India and is a Certified Public Accountant qualified to practice in the USA. In addition he holds a post graduate degree; Masters in International Management from Thunderbird School of Global Management, USA. Prior to joining Neptune group in 2007, he was employed with Thani Investments, a property developer in Dubai. Mr. Mitra has a total experience of 28 years in corporate finance, corporate governance, general finance and general management as well as six years of experience in domestic and international property development. Mr. Mitra has worked for multinational corporations like Price Waterhouse Coopers, Glaxo Wellcome, Taib Bank, Carnation Corporation, and Gulf Oil Corporation. He has held senior management responsibilities in said corporations and worked for them in USA, Turkey, Bahrain, Dubai and Sultanate of Oman. He was also adjunct professor at National University and Westcoast University in California during the period 1986 – 1990. Mr. Mitra joined our Company on April 1, 2009.

Changes in Key Managerial Personnel in our Company in the last three years

Name of Key Managerial Personnel	Date of joining	Date of cessation	Reason
Mr. Nayan Shah	October 1, 2009	-	-
Mr. Chetan Bheda	October 1, 2009	-	-
Mr. Animesh Dharamsi	October 1, 2009	-	-
Mr. Anindya Mitra	April 1, 2009	-	-

Shareholding of Key Managerial Personnel in our Company

The following are the details of the shareholding of our Key Managerial Personnel in our Company as on the date of filing of this Draft Red Herring Prospectus:

Name of Key Managerial Personnel	Number of Equity Shares (Pre-Issue)
Mr. Nayan Shah	7,000,000
Mr. Chetan Bheda	700,000
Mr. Animesh Dharamsi	700,000
Mr. Anindya Mitra	-

All of our key managerial personnel are permanent employees of our Company. Except for Mr. Chetan Bheda, who is brother of Mr. Nayan Bheda, our Managing Director, none of our key managerial personnel are related to each other or to any Director of our Company.

Bonus or profit-sharing plan of the Key Managerial Personnel

There is no bonus or profit sharing plan for the key managerial personnel of our Company.

Interest of our Key Managerial Personnel

The key management 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, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them. None of our key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company since the incorporation of our Company or is intended to be paid, other than in the ordinary course of their employment.

Employee Stock Option Plan

We have not issued any employee stock option schemes as on the date of filing this Draft Red Herring Prospectus.

Arrangements and understanding with major shareholders

None of our key managerial personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Loans taken by Directors / Key Managerial Personnel

The Company's Directors and key managerial personnel have taken certain loans from our Company. For further details, please see sections titled "**Financial Statements**" and "**Related Party Transactions**" beginning on pages F-1 and 174 of this DRHP.

Promoters and Group Companies

Our Promoters are as follows:

1. Mr. Nayan Bheda;
2. Mr. Sachin Deshmukh;
3. Mr. Nayan Shah;
4. Mr. Mahesh Shetty;
5. Mr. Chetan Bheda;
6. Mr. Animesh Dharamsi; and
7. NMS Holdings Private Limited.

The details of our Promoters are as follows

1. Mr. Nayan Bheda



Identification

PAN	AACPB3115F
Passport No.	Z 1777223
Voter Identity No.	NNX2336352
Driving License No.	MH0320080051461
Bank Account No.	108010100196338

Mr. Nayan Bheda, aged 37 years, is the Managing Director of the Company. He holds a bachelor's degree in commerce from Mumbai University. He has 14 years of experience in the construction and real estate industry. He provides strategic guidance and is in-charge of Neptune group. For further details including his directorships, see the section titled "**Management**" beginning on page 142 of this Draft Red Herring Prospectus.

We confirm that the permanent account number, bank account number, passport number of Mr. Nayan Bheda will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

2. Mr. Sachin Deshmukh



Identification

PAN	AAHPD1129L
Passport No.	E6194949
Voter Identity No.	MT/07/052/514568
Driving License No.	MH0320080051463
Bank Account No.	108010100196284

Mr. Sachin Deshmukh, aged 38 years, is an Executive Director of the Company. He holds a bachelor's degree in arts from the Mumbai University. He has 14 years of experience in the construction and real estate industry. He heads the legal, liaison and administrative functions at the Company. For further details including his directorships, see the section titled "**Management**" beginning on page 142 of this Draft Red Herring Prospectus.

We confirm that the permanent account number, bank account number, passport number of Mr. Sachin Deshmukh will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

3. Mr. Nayan Shah



Identification

Residential Address	14, 3 rd floor, Hem Kunj, Zaver Road, Mulund (West), Mumbai - 400 080
PAN	AAHPS3290B
Passport No.	E7398932
Voter Identity No.	NNX1523620
Driving License No.	MH03/04/95/28686
Bank Account No.	108010100219082
Designation	President - Operations
Other Directorships	<ul style="list-style-type: none">• Neptune Oil and Energy Ventures Private Limited; and• Kavya Realtors Private Limited
Other Ventures Promoted by the Promoter	See under " Promoters and Group Companies - Companies and Partnership Firms forming part of the Promoter Group " below

Mr. Nayan Shah, aged 37 years, heads the finance, business development and investor relationship departments at the Company. He has 11 years of experience in real estate industry. For further details, see the section titled "**Management - Key Managerial Personnel**" beginning on page 142 of this Draft Red Herring Prospectus

We confirm that the permanent account number, bank account number, passport number of Mr. Nayan Shah will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

4. **Mr. Mahesh Shetty**



Identification

PAN	AAIPS6338R
Passport No.	Z1781469
Voter Identity No.	NNX2660256
Driving License No.	MH0320080096985
Bank Account No.	508010100008785

Mr. Mahesh Shetty, aged 45 years, is a Director of the Company. He holds a bachelor's degree in science as well as in education from Mumbai University. He has 23 years experience in the education sector. He also promotes Mahesh Tutorials, which is engaged in the field of academic coaching. In February 2008, he was awarded the "Pride of the Nation Award" by All India Achievers' Conference, New Delhi. For further details including his directorships, see the section titled "**Management**" beginning on page 142 of this Draft Red Herring Prospectus.

We confirm that the permanent account number, bank account number, passport number of Mr. Mahesh Shetty will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

5. **Mr. Chetan Bheda**



Identification

Residential Address	Flat No.- 801, 8th Floor, Marathon Maxima, L.B.S. Road, Mulund (W), Mumbai – 400 080
PAN	AFAPB0922K
Passport No.	B0438132
Voter Identity No.	MT/07/052/660194
Driving License No.	MH0320080045882
Bank Account No.	108010100234245
Designation	President - Accounts
Other Directorships	<ul style="list-style-type: none"> Juhi Realtors Private Limited; and Neptune Developers and Constructions Private Limited.
Other Ventures Promoted by the Promoter	See under " Promoters and Group Companies - Companies and Partnership Firms forming part of the Promoter Group " below

Mr. Chetan Bheda, aged 41 years, heads the accounting, audit and taxation functions at the Company. He holds a bachelor's degree in commerce and is a chartered accountant and registered as a fellow member with the ICAI. He has 20 years of experience in accounting, audit and taxation. For further details, see the section titled "**Management - Key Managerial Personnel**" beginning on page 153 of this Draft Red Herring Prospectus

We confirm that the permanent account number, bank account number, passport number of Mr. Chetan Bheda will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

6. **Mr. Animesh Dharamsi**



Identification

Residential Address	C-1403/04, 14th Floor, Harmony Bldg., Din Dayal Upadhyay Road, Near Om Shristi Dumping Road, Mulund (W), Mumbai – 400 080, Maharashtra, India
PAN	AABPD7445D
Passport No.	F2246620
Voter Identity No.	NNX1546019
Driving License No.	MH-26/922410
Bank Account No.	108010100216593
Designation	President- Projects
Other Directorships	N.A.
Other Ventures Promoted by the Promoter	See under “Promoters and Group Companies - Companies and Partnership Firms forming part of the Promoter Group” below

Mr. Animesh Dharamsi, aged 38 years, heads the supply chain management, construction and engineering functions at the Company. He holds a bachelor’s degree in Commerce from Mumbai University. He has 7 years of experience in construction and real estate industry. For further details, see the section titled “**Management - Key Managerial Personnel**” beginning on page 153 of this Draft Red Herring Prospectus

We confirm that the permanent account number, bank account number, passport number of Mr. Animesh Dharamsi will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

7. **NMS Holdings Private Limited**

NMS Holdings Private Limited (“NMS Holdings”) was incorporated under the Companies Act as a private limited company on April 4, 1996 under the name of Thakkar Capital Services Private Limited. RoC issued to NMS Holdings corporate identification number as U65910MH1996PTC098776. Its name was subsequently changed to NMS Holdings Private Limited pursuant to a shareholders resolution passed on September 18, 2009. A fresh certificate of incorporation pursuant to change of name was granted on October 14, 2009 by RoC, Mumbai. NMS Holdings is under the jurisdiction of the RoC, Mumbai, having its office at Everest, 100 Marine Drive, Mumbai 400 002, Maharashtra, India. The registered office of NMS Holdings was changed w.e.f. June 3, 2008. It was earlier situated at D 53/1150 Azad, Nagarveera Desai Road, Andheri (West), Mumbai 400 058, but has now shifted to Neptune House, 1st floor, Karma Stambh Building, Opposite MTNL Office, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India, wherein these premises have been taken on leave and license by NMS Holdings *vide* leave and license agreement dated December 29, 2009 entered into with Pranay Leasing & Finance Limited.

NMS Holdings Private Limited is engaged in the business of financing and lending money on such terms thought fit and particularly to customers or other persons or corporations having dealings with NMS Holdings, and does not carry on any business of banking as defined by the Banking Regulation Act, 1949, subject to provisions of section 58A of the Companies Act and directions of RBI.

Identification

Registered office address	Neptune House, 1 st floor, Karma Stambh Building, Opposite MTNL Office, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
PAN	AAACT5246N*
Bank Account No.	Axis Bank Account No. – 108010200016427 HDFC Bank Account No. – 00152320001520

* An application dated November 27, 2009 has been filed with the Income Tax department of the Government for change of name with respect to PAN from Thakkar Capital Services Private Limited to NMS Holdings Private Limited. The approval is currently pending.

We confirm that the permanent account number and bank account number of NMS Holdings will be submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus.

Shareholding pattern

The shareholding pattern of NMS Holdings as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding (in %)
1.	Mr. Nayan Bheda	648,073	43.20
2.	Mr. Sachin Deshmukh	412,154	27.48
3.	Mr. Nayan Shah	319,590	21.31
4.	Mr. Chetan Bheda	77,674	5.18
5.	Mr. Animesh Dharamsi	42,509	2.83
	Total	1,500,000	100

Board of Directors

The board of directors of NMS Holdings as on December 28, 2009 comprises:

1. Mr. Nayan Bheda; and
2. Mr. Sachin Deshmukh;

Details of the promoters of NMS Holdings

The promoters of NMS Holdings are Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Chetan Bheda, Mr. Nayan Shah and Mr. Animesh Dharamsi. For details of Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Chetan Bheda, Mr. Nayan Shah and Mr. Animesh Dharamsi, see sections titled “**Management**” and “**Promoters and Group Companies**” beginning on pages 142 and 155 respectively of this Draft Red Herring Prospectus.

Financial performance

The summary of audited financial of NMS Holdings for the Fiscal 2009, 2008 and Fiscal 2007 are set below:

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital	7.3	7.3	7.3
Reserves and Surplus	30.15	30.15	30.15
Income	0.00	0.00	0.00
Profit / (Loss) after tax	(0.023)	(0.028)	(0.142)
Earnings per share (Rs.)	(0.03)	(0.04)	(0.19)
Net asset value per share (Rs.)	54	78	82

Change in the management of NMS Holdings

During May, 2005, Mr. Nayan Bheda together with Mr. Sachin Deshmukh acquired in aggregate 10,000 shares in NMS Holdings (10,000 equity shares by way transfer from its shareholders). Consequently in 2009, they, along with Mr. Nayan Shah, Mr. Chetan Bheda and Mr. Animesh Dharamsi, have acquired management control of NMS Holdings. For further details see table below:

Date of acquisition	No. of Equity Shares acquired	Acquisition Price	Consideration paid	Terms of acquisition	Remarks
May 14, 2005	5,000	10	50,000	NA	Transfer to Sachin Deshmukh
May 14, 2005	5,000	10	50,000	NA	Transfer to Nayan Bheda
August 21, 2009	360,000	10	3,600,000	NA	Transfer to Nayan Bheda
August 21, 2009	360,000	10	3,600,000	NA	Transfer to Sachin Deshmukh
December 5, 2009	283,073	10	2,830,730	NA	Preferential allotment to Mr. Nayan Bheda
December 5, 2009	47,154	10	471,540	NA	Preferential allotment to Mr. Sachin Deshmukh
December 5, 2009	319,590	10	3,195,900	NA	Preferential allotment to Mr. Nayan Shah
December 5, 2009	77674	10	776,740	NA	Preferential allotment to Mr. Chetan Bheda
December 5, 2009	42,509	10	425,090	NA	Preferential allotment to Mr. Animesh Dharamsi

We confirm that the permanent account number, bank account number, of NMS Holdings have been submitted to the BSE and the NSE, at the time of filing the Draft Red Herring Prospectus with them.

Significant accounting policies of NMS Holdings

1. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention and in accordance with the applicable accounting standards prescribed by companies (Accounting Standards), Rules 2006 as amended, with effect from March 28, 2009. The accounting policies have been consistently applied unless otherwise stated.

2. 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.

3. Revenue recognition

The revenue will be recognized at the time of sale and completion of delivery of shares & securities.

4. Income taxes

In view of brought forward losses, no provision for taxation is required. There are no differences requiring recognition of Deferred Tax Assets & Deferred Tax Liabilities. There are no employees hence provision for Fringe Benefit Tax is not required.

5. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders by the total number of equity shares outstanding during the period.

6. Retirement and other employee benefits

The Company has no permanent employee and therefore no formal Retirement policy exists.

7. *Provisions, contingent liabilities and contingent assets*

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements

Interest of the Promoters

Interest in promotion of the Company

Our Company was initially promoted by Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Mahesh Shetty. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Mahesh Shetty were later joined by Mr. Chetan Bheda, Mr. Animesh Dharamsi, Mr. Nayan Shah and NMS Holding Private Limited in the promotion of the Company.

Our Company is promoted by our Promoters in order to pursue real estate development project. Our Promoters are interested in our Company as mentioned above under the section titled “**Promoter and Group Companies – Common Pursuits**” and to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

Further, Mr. Nayan Bheda, Mr. Sachin Deshmukh, directors of NMS Holdings Private Limited and Mr. Mahesh Shetty are also members of our Board of Directors.

Interest in the property of the Company

Except as disclosed in the section titled “**History and Certain Corporate Matters**” beginning on page 109 and “**Business**” beginning on page 74, our Promoters do not have any interest in any property acquired by, or proposed to be acquired by, our Company since its incorporation.

Interest as member of the Company

The aforementioned Promoters of the Company are interested to the extent of their shareholding in our Company and the dividend declared, if any, by the Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery

None of our Promoters have any interest in any transactions for acquisition of land, construction of building and supply of machinery by our Company since incorporation.

Interest other than as Promoter

Our Promoters who are also the Directors of the Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our individual Promoters are also directors on the boards of or members of certain Group Companies and they may be deemed to be interested to the extent of the payments made by the Company, if any, to these Group Companies. For further details, please see the section titled “**Promoters and Group Companies**” beginning on page 155 of this Draft Red Herring Prospectus. For the payments that are made by the Company to certain Group Companies, please see the section titled “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus.

Our individual Promoters, through a partnership, have also been involved in the construction of a certain projects, the details of which are mentioned in the section titled “**Business**” beginning on page 74 of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters during the last two years

Except as stated in the section “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters since the date of incorporation of our Company.

Common Pursuits

We have entered into a non-compete agreement dated December 18, 2009 with our Promoters and certain of our Promoter group entities and Group Companies, which are involved in any activities similar to those conducted by our Company. For details of the non-compete agreement, see section titled “**History and Certain Corporate Matters**” beginning on page 109 of this Draft Red Herring Prospectus.

Confirmations by the Promoters

Our Promoters including members of Promoter Group and our Group Companies have confirmed that they have not been detained as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoters including Promoter Group and our Group Companies have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Related Party Transactions

Except as disclosed in the section “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus, our Company has not entered into any related party transactions with the Promoters, Promoter Group or Group Companies.

Undertakings

We undertake that the details of the PAN, bank account numbers, passport numbers for individual Promoters and PAN, bank account numbers, company registration number and the addresses of the registrar of companies, where our Promoter companies are registered will be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Promoter Group

In addition to the Promoters named above, the following natural persons and companies are part of our Promoter Group.

a. Relatives of Promoters

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

1. Mr. Nayan Bheda

Name	Relationship with Promoters
Mr. Ashok Kalyanji Bheda	Father
Mrs. Padma Ashok Bheda	Mother
Mrs. Ekta Nayan Bheda	Spouse
Miss. Vruti Nayan Bheda	Daughter
Miss. Juhi Nayan Bheda	Daughter
Mr. Naman Nayan Bheda	Son
Mr. Chetan Ashok Bheda	Brother
Mrs. Urvi Jayesh Momaya	Sister
Mr. Jyotindra M. Sanghani	Father of the Spouse
Mrs. Daksha J. Sanghani	Mother of the Spouse
Mrs. Rachna Shailesh Perinjatt	Sister of the Spouse
Mr. Vishal J. Sanghani	Brother of the Spouse

2. **Mr. Sachin Deshmukh**

Name	Relationship with Promoters
Mr. Manohar N. Deshmukh	Father
Mrs. Snehalata M Deshmukh	Mother
Mrs. Priyanka S. Deshmukh	Spouse
Miss. Aishwarya S. Deshmukh	Daughter
Miss. Siddhi S. Deshmukh	Daughter
Mr. Rajeshwar M Deshmukh	Brother
Mrs. Geeta Mangesh Titkare	Sister
Mrs. Neeta Ramesh Bharmal	Sister
Mr. Chandrakant N. Patil	Father of the Spouse
Mrs. Nalini Chandrakant Patil	Mother of the Spouse
Mrs. Sujatha Arun Sanke	Sister of the Spouse
Mr. Tushar Chandrakant Patil	Brother of the Spouse

3. **Mr. Mahesh Shetty**

Name	Relationship with Promoters
Mr. Kalathur R. Shetty	Father
Mrs. Lalitha K .Shetty	Mother
Mrs. Roopa M Shetty	Spouse
Mr. Prithviraj M Shetty	Son
Mrs. Pramila Vishwanath Shetty	Sister
Mr. Narayan Poappa Shetty	Father of the Spouse
Mrs. Girija Narayan Shetty	Mother of the Spouse
Mrs. Jyoti Vaju Shetty	Sister of the Spouse
Mrs. Aarti Sudhir Shetty	Sister of the Spouse
Miss. Nirmala Narayan Shetty	Sister of the Spouse

4. **Mr. Nayan Shah**

Name	Relationship with Promoters
Mr. Thakarshi M.Shah	Father
Mrs. Nirmala Thakarshi Shah	Mother
Mrs. Mili Nayan Shah	Spouse
Miss. Kavya Nayan Shah	Daughter
Mrs. Surbhi Kiran Rambhia	Sister
Mr. Manilal P. Gala	Father of the Spouse
Mrs. Nirmala Manilal Gala	Mother of the Spouse
Mr. Sachin Manilal Gala	Brother of the Spouse
Mr. Amit Manilal Gala	Brother of the Spouse
Mr. Vinay Manilal Gala	Brother of the Spouse

5. **Mr. Chetan Bheda**

Name	Relationship with Promoters
Mr. Ashok Kalyanji Bheda	Father
Mrs. Padma Ashok Bheda	Mother
Mrs. Alka Chetan Bheda	Spouse
Miss. Riya Chetan Bheda	Daughter
Mr. Nayan Ashok Bheda	Brother
Mrs. Urvi Jayesh Momaya	Sister
Mr. Chhotalal Hirachand Lakhani	Father of the Spouse
Mrs. Bhanumati Chotalal Lakhani	Mother of the Spouse
Mrs. Panna Amit Doshi	Sister of the Spouse
Mrs. Sonal Yatin Shah	Sister of the Spouse
Mr. Hitesh Chhotalal Lakhani	Brother of the Spouse
Mr. Jatin Chhotalal Lakhani	Brother of the Spouse

6. **Mr. Animesh Dharamsi**

Name	Relationship with Promoters
Mr. Pratap H Dharamsi	Father
Mrs. Meera Pratap. Dharamsi	Mother
Mrs. Anjali Animesh Dharamsi	Spouse
Mr. Vedant Animesh Dharamsi	Son
Miss Mansi Animesh Dharamsi	Daughter
Mrs. Neeta Nilesh Datani	Sister
Mrs. Bhakti Devang Mota	Sister
Mr. Piyush Chimanlal Momaya	Father of the Spouse
Mrs. Kalpana Chimanlal Momaya	Mother of the Spouse
Mrs. Hiral Rohit Dand	Sister of the Spouse
Mrs. Dipali Himanshu Maesheri	Sister of the Spouse

b. **Companies and Partnership Firms forming part of the Promoter Group**

The following entities form part of the Promoter Group:

Companies forming part of the Promoter Group

1. MT EDUCARE Private Limited;
2. Neptune Developers & Constructions Private Limited;
3. Neptune Oil & Energy Ventures Private Limited; and
4. Prithviraj Shares and Securities Private Limited.

Partnership firms forming part of the Promoter Group

1. Growell Securities;
2. Mahesh Tutorials Chembur;
3. Mahesh Tutorials Mulund; and
4. Neptune Constructions.

Proprietorship firms forming part of the Promoter Group

1. Laxmi Corporation;
2. Laxmi Plumbing;
3. Ashok Enterprise; and
4. CA Bheda & Associates.

Except as stated in the section titled “**Capital Structure**” beginning on page 28 of this Draft Red Herring Prospectus, none of the members of the our Promoter Group held any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Further, NMS Holdings Private Limited has no Promoter Group or Group Companies.

c. **Our Group Companies**

Our Group Companies are as follows:

Companies forming part of the Group Companies

1. MT EDUCARE Private Limited;
2. Neptune Developers & Constructions Private Limited;
3. Neptune Oil & Energy Ventures Private Limited; and
4. Prithviraj Shares and Securities Private Limited.

Partnership firms forming part of the Group Companies

1. Growell Securities;
2. Mahesh Tutorials Chembur;
3. Mahesh Tutorials Mulund;
4. Neptune Constructions; and
5. Neptune Developers.

None of the companies forming part of our Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Except as stated in the section titled “**Risk Factors**” beginning on page xiii of this Draft Red Herring Prospectus, there are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the filing of this Draft Red Herring Prospectus. Further, all our Group Companies are unlisted companies and they have not made any public issue (including rights issue) of securities in the preceding three years.

1. MT EDUCARE PRIVATE LIMITED

Corporate Information

MT EDUCARE Private Limited (“**MT EDUCARE**”) was incorporated under the Companies Act as a private limited company on August 19, 2006.

The Company is engaged in the field of education, coaching, training and turnkey solutions for education services and undertakes government projects at State and National level.

Registered Office

220, 2nd Floor, “Flying Colors”,
Pandit Din Dayal Upadhyay Marg,
Off. L. B. S Cross Road, Mulund (West),
Mumbai – 400 080

Board of Directors

The board of directors of MT EDUCARE as on December 28, 2009 comprises:

1. Mr. Mahesh Shetty;
2. Mr. Narayanan Iyer;
3. Mr. David Michael Danziger; and
4. Mr. Cyrus Dinshaw Driver (Alternate to Mr. David M. Danziger).

Interest of the Promoters

List of shareholders holding more than 1% in MT EDUCARE as on December 28, 2009 is as follows:

S. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Mahesh Shetty	95,000	54.76
2.	Helix Investment Company	50,884	29.33
3.	Mr. Narayanan Iyer	5,000	2.88
4.	Mr. Aman Agarwal	3,750	2.16
5.	Mr. Prashant J. Agarwal	3,750	2.16
6.	Reynold Shirtings Private Limited	2,500	1.44
7.	Mr. Chandresh H. Fooria	2,029	1.17
	Total	162,913	93.90

Financial performance

The summary of audited financial results for Fiscals 2009, 2008 and 2007 are set forth as below.

(In Rs. million, except share data)

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital	1.73	1.22	1
Reserves and Surplus (excluding revaluation reserves)	361.27	19.27	0.00
Income	731.64	45.39	1.13
Net asset value per share (Rs.)	2092.37	2560.21	(41.40)

Significant notes of auditors for the past three years

There are no qualifications provided by the auditors.

2. Neptune Developers & Constructions Private Limited

Corporate Information

Neptune Developers & Constructions Private Limited (“Neptune Developers & Constructions”) was incorporated under the Companies Act as a private limited company on December 14, 2006 as Dhan Shares and Securities Private Limited. Its name was subsequently changed pursuant to a special resolution passed at the general meeting on November 30, 2007. A fresh certificate of incorporation pursuant to change of name was granted on February 19, 2008 by the RoC, Mumbai.

Neptune Developers & Constructions is engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers in India or abroad.

Registered Office

Neptune House, Karma Stambh Building,
3rd floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Developers & Constructions as on December 28, 2009 comprises:

1. Mr. Nayan Bheda;
2. Mr. Chetan Bheda; and
3. Mr. Sachin Deshmukh.

Interest of the Promoters

The shareholding of Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Nayan Shah as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	4,000	40.00
2.	Mr. Sachin Deshmukh	3,000	30.00
2.	Mr. Nayan Shah	3,000	30.00
	Total	10,000	100

Financial performance

The summary of audited financial results for Fiscals 2009, 2008 and 2007 are set forth as below:

(In Rs. million, except share data)

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007

Equity capital	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00	0.00	0.00
Income	0.00	0.00	0.00
Net asset value per share (Rs.)	(10.60)	2.99	7.53

Significant notes of auditors for the past three years

There are no qualifications provided by the auditors.

3. Neptune Oil & Energy Ventures Private Limited

Corporate Information

Neptune Oil & Energy Ventures Private Limited (“**Neptune Oil & Energy**”) was incorporated under the Companies Act as a private limited company on March 28, 2008. Neptune Oil & Energy is engaged in the business of exploration, extraction, excavation, procurement, production, pumping, refining, purification, storage, research, preparation, promotion, prospecting, processing, grading, spitting and dealing in all sorts of crude and refined petroleum oils, natural gases.

Registered Office

Neptune House, Karma Stambh Building,
3RD floor, Opposite MTNL office, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083

Board of Directors

The board of directors of Neptune Oil & Energy as on December 28, 2009 comprises:

1. Mr. Nayan Bheda;
2. Mr. Nayan Shah; and
3. Mr. Sachin Deshmukh.

Interest of the Promoters

The shareholding of Mr. Nayan Bheda, Mr. Sachin Deshmukh and Mr. Nayan Shah as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Nayan Bheda	9,800	98.00
2.	Mr. Sachin Deshmukh	100	1.00
2.	Mr. Nayan Shah	100	1.00
	Total	10,000	100

Financial performance

The summary of audited financial results for Fiscal 2009 is set forth as below.

Particulars	<i>(In Rs. million, except share data)</i>	
	For the period ended as on March 31, 2009	
Equity capital	0.10	
Reserves and Surplus (excluding revaluation reserves)	0.00	
Income	0.00	
Net asset value per share (Rs.)	(504)	

Significant notes of auditors for the past three years

There are no qualifications provided by the auditors.

4. Prithviraj Shares and Securities Private Limited

Corporate Information

Prithviraj Shares and Securities Private Limited (“**Prithviraj Shares**”) was incorporated under the Companies Act as a private limited company on April 24, 2008. Prithviraj Shares is engaged in the business of purchase, sale, subscription, acquisition, undertaking, underwriting, holding, auctioning, conversion and trade in all kinds of shares, securities in India or abroad.

Registered Office

1303, 13th Floor, Kalinga, Nirmal Nagar,
Mulund (West), Mumbai 400 080

Board of Directors

The board of directors of Prithviraj Shares as on December 28, 2009 comprises:

1. Mr. Mahesh Shetty; and
2. Ms. Roopa Shetty.

Interest of the Promoters

The shareholding of Mr. Mahesh Shetty as on December 28, 2009 is as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of total equity holding
1.	Mr. Mahesh Shetty	9800	98.00
2.	Ms. Roopa Shetty	200	2.00
	Total	10,000	100

Financial performance

The audited financial results for Fiscals 2008 and 2007 do not exist since the company was incorporated in Fiscal 2008. However, audited financials for the period from the date of incorporation to March 31, 2009 are available, which are set forth below.

(In Rs. million, except share data)

Particulars	For the period ended as on March 31, 2009
Equity capital	0.10
Reserves and Surplus (excluding revaluation reserves)	0.00
Income	0.00
Net asset value per share (Rs.)	5.74

Significant notes of auditors for the past three years

There are no qualifications provided by the auditors.

Partnerships

1. Growell Securities

Growell Securities was formed as a partnership firm on November 18, 2003. This is not a registered partnership firm under the Indian Partnership Act. The partnership is presently registered with SEBI under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 as a sub-broker and is affiliated to Kotak Securities Limited. Their BSE and NSE registration details are as follows:

Name of Stock Exchange	Registration No.
------------------------	------------------

BSE	INS011862625/01-08081
NSE	INS231862629/23-08081

Principal office

The office of partnership firm is situated at Jinen Towers, Nanded Maharashtra, India

Interest of the Promoters

The profit and loss sharing ratio in Growell Securities as on December 28, 2009 is as follows:

Name of partners	Profit & Loss Sharing Ratio
Mr. Animesh Dharamsi	51 %
Mr. Ajit Jilhewar	49%
Total	100%

Financial Performance

The audited financial results of this firm for the last three financial years are as follows:

(In Rs. million, except share data)

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	1.85	0.90	0.66
Income/ Sales	1.46	4.59	4.79
Profit / (Loss) after tax	0.0085	0.28	0.31

2. Mahesh Tutorials, Chembur

Mahesh Tutorials, Chembur was formed as a partnership firm on September 9, 1992. This is a registered partnership firm under the Indian Partnership Act with registration no. BA-55988. This partnership was registered on January 5, 1993. This partnership is presently engaged in the business of providing tuitions and / or any other business as may be mutually agreed upon by the partners from time to time.

Principal office

The office of partnership firm is situated at 1st Floor, Sanket Apartment, Central Avenue Road, Chembur, Mumbai 400071, Maharashtra.

Interest of the Promoters

The profit and loss sharing ratio in Mahesh Tutorials, Chembur as on December 28, 2009 is as follows:

Name of partners	Profit & Loss Sharing Ratio
Mr. Mahesh Shetty	27.5%
Mr. Narayanan Iyer	45.0%
Mrs. Srimati H.Shetty	27.5%
Total	100%

Financial Performance

The audited financial results of this firm for the last three financial years are as follows:

(In Rs. million, except share data)

Particulars	For the period ended as on
--------------------	-----------------------------------

	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	20.19	17.23	8.15
Income/ Sales	5.05	3.73	2.91
Profit / (Loss) after tax	4.15	2.54	0.86

3. Mahesh Tutorials, Mulund

Mahesh Tutorials, Mulund was formed as a partnership firm on October 21, 1989. This is not a registered partnership firm under the Indian Partnership Act. This partnership is presently engaged in the business of conducting coaching classes for school/ college students and / or in various academic / professional disciplines as the partner may mutually decide.

Principal office

The office of partnership firm is situated at 6, Shanti Bana Co-op Housing Society Ltd., Near St. Pius Church, Nahur, Mulund (West), Mumbai 400 080, Maharashtra.

Interest of the Promoters

The profit and loss sharing ratio in Mahesh Tutorials, Mulund as on December 28, 2009 is as follows

Name of partners	Profit & Loss Sharing Ratio
Mr. Mahesh Shetty	25%
Mr. Harish V. Shetty	50%
Mr. Kalathur. R. Shetty	25%
Total	100%

Financial Performance

The audited financial results of this firm for the last three financial years are as follows:

(In Rs. million, except share data)

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity Capital	1.19	0.89	(1.66)
Income/ Sales	1.8	1.504	1.504
Profit / (Loss) after tax	1.62	1.03	1.31

4. Neptune Constructions

Neptune Constructions was formed as a partnership firm on January 13, 2004. This is not a registered partnership firm under the Indian Partnership Act. This partnership is presently engaged in the business of builders, developers, infrastructural development contractors, designers, architects, decorators, consultants, estate agents and property dealers in India or abroad.

Principal Office

The office of the partnership firm is situated at Neptune House, Karma Stambh, Opposite MTNL Office, LBS Road, Vikhroli (W), Mumbai – 400 083.

Interest of the Promoters

The profit and loss sharing ratio in Neptune Constructions as on December 28, 2009 is as follows:

Name of partners	Profit & loss sharing ratio
------------------	-----------------------------

Mr. Nayan Ashok Bheda	25%
Mr. Sachin Manohar Deshmukh	25%
Mr. Mahesh Raghu Shetty	10%
Mr. Sunil Vasanji Sangoi	15%
Mr. Kanji Bhanji Shah	15%
Mr. Paras Kirti Mehta	10%
Total	100%

Financial Performance

The audited financial results of this firm for the last three financial years are as follows:

(In Rs. million, except share data)

Particulars	For the period ended as on		
	March 31, 2009	March 31, 2008	March 31, 2007
Equity capital	53.75	48.64	38.24
Income	4.40	290.10	232.26
Profit / (Loss) after tax	8.65	26.50	9.27

5. Neptune Developers

For details, see section titled “**History and Certain Corporate Matters**” beginning on page 109 of this Draft Red Herring Prospectus.

Defunct Group Companies

None of our Group Companies remain defunct and for which an application has been made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI. None of our Group Companies fall under the definition of sick companies and no applications have been made in this regard.

Companies with which the Promoters have disassociated in the last three years

The Promoters have not disassociated themselves from any company/ firm during preceding three years, except for Kavya Realtors Private Limited, Juhi Realtors Private Limited and Deshmukh Projects Developers Private Limited on account of restructuring. These aforesaid companies are now the Subsidiaries of our Company. None of the Group Companies have been struck from the records of the Registrar of Companies during preceding three years.

Conflict of Interest

Most of our associates, Promoter Group entities and Group Companies are engaged in the business of real estate development. We have entered into a non-compete agreement dated December 18, 2009 with our Promoters, and certain of our Promoter Group entities and Group Companies which are involved in construction and real estate development activities.

Pursuant to the terms of the agreement, our Promoters and the entities mentioned immediately above cannot, directly or indirectly, engage in any construction and real estate development projects which comply with the requirements laid out in Press Note No. 2 (2005 series) dated March 2, 2005 issued by RBI, for a period of five years, which may be renewed.

Business Interests

Our Company is promoted by our Promoters in order to pursue real estate development project. Our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company.

We have entered into a non-compete agreement dated December 18, 2009 with our Promoters and certain of our Promoter Group entities and Group Companies which are involved in construction and real estate development activities.

Further, we undertake, execute and develop several of our projects in association with our Group Companies. Other than as stated here, and as disclosed in section titled “**Financial Statements**”, none of our Group Companies have any business interest in our Company.

For further details, on the non-compete agreement, please refer to section titled “**History and Certain Corporate Matters**” beginning on page 109. For details on the projects of our Company, please refer to section titled “**Business**” beginning on page 74.

Nature and Extent of Interest of Group Companies

(a) In the promotion of the Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by the Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI

None of our Group Companies have any interest in the properties acquired or proposed to be acquired by the Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies have any interest for acquisition of land, construction of building and supply of machinery.

Common Pursuits amongst the Group Companies and associate companies with our Company

Several of our Group Companies and associate companies are engaged in construction, development of residential and commercial projects and have invested in real estate properties.

Business Interest of Group Companies in our Company

None of our Group Companies, Subsidiaries and associate companies has any business interest in our Company.

Shareholding of Group Companies in our Company

None of our Group Companies, Subsidiaries and associate companies holds any Equity Shares in our Company.

Sale/Purchase between Group Companies, Subsidiaries and associate companies

For details see section titled “**Related Party Transactions**” on page 174 of this Draft Red Herring Prospectus.

Payment of benefits to our Group Companies during the last two years

Except as stated in the section “**Related Party Transactions**” beginning on page 174 of this Draft Red Herring Prospectus, there has been no payment of benefits to Group Companies since the date of incorporation of our Company.

Related Party Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details see section titled “**Related Party Transactions**” on page 174 of this Draft Red Herring Prospectus.

Related Party Transactions

For details on related party transactions of our Company on an unconsolidated and consolidated basis, see section titled “**Financial Statements**” beginning on page F-1 of this Draft Red Herring Prospectus.

Dividend Policy

We have not declared or paid any cash dividend on our Equity Shares in the last five Fiscals.

The declaration and payment of dividends if any, will be recommended by our Board of Directors and approved by our shareholders in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position, and in accordance with the provisions of the Companies Act. The Company has no stated dividend policy. Generally, the factors that may be considered by the Board before making any recommendations for the dividend are future expansion plans, profit earned during the financial year, liquidity of the Company and applicable taxes on dividend in hands of recipients including dividend distribution tax payable by the Company.

FINANCIAL STATEMENTS

To
The Board of Directors,
Neptune Developers Limited,
Neptune House,
Karmbastamb,
Vikroli East
Mumbai – 400 083

Dear Sirs,

We have examined the financial information of Neptune Developers Limited (the “Company”) annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus (the “DRHP”). This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Initial Public Offering (“IPO”). This financial information has been prepared in accordance with the requirements of:

- i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”);
- ii) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”).

We have examined such financial information taking into consideration;

- i) The Guidance Note on the Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”); and
- ii) The terms of our letter of engagement with the Company requesting us to carry out work in connection with the Offer Document being issued by the Company for its proposed issue.

1. Financial Information as per Audited Financial Statements:

We have examined the attached “Unconsolidated Summary Statement of Assets and Liabilities, As Restated” of the Company as at March 31, 2005, 2006, 2007, 2008, 2009 and three months ended June 30, 2009 (Annexure I) and the attached “Unconsolidated Summary Statement of Profits and Losses, As Restated” for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and three months ended June 30, 2009 (Annexure II), and Unconsolidated Statement of Cash flow, As Restated for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and three months ended June 30, 2009 (Annexure III) together referred to as “Restated Summary Statements”. The Restated Summary Statements, including the adjustments and regroupings which are more fully described in the note on adjustments appearing in Annexure XIII to this report have been extracted from the Audited Financial Statements of the Company as at and for the years ended March 31, 2005, 2006, 2007, 2008, 2009 and three months ended June 30, 2009.

2. Based on our examination of these restated summary statements, we state that:

- a) the Restated Summary Statements have to be read in conjunction with the Statement of Significant Accounting Policies and Notes to accounts (Annexure XIII) to this report

- b) the Summary Statement of Profits and Losses, As Restated have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in (Annexure XIII)to this report,;
- c) the impact of changes in accounting policies adopted by the Company as at and for the year ended June 30, 2009 have been adjusted with retrospective effect in the attached Restated Summary Statements wherever applicable;
- d) material amounts relating to previous years have been adjusted in the attached Restated Summary Statements;
- e) there are no extraordinary items which need to be disclosed separately in the attached Restated Summary Statements; and
- f) there are no qualifications in auditors report.

3. Other Financial Information:

We have examined the following financial information in respect of the years ended March 31, 2005, 2006, 2007, 2008, 2009 and three months ended June 30, 2009 of the Company, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

- i. Unconsolidated Statement of Secured Loan, As Restated (Annexure IV)
- ii. Unconsolidated Statement of Unsecured Loan, As Restated (Annexure V)
- iii. Unconsolidated Statement of Investments, As Restated (Annexure VI);
- iv. Unconsolidated Statement of Loans and Advances, As Restated (Annexure VII);
- v. Unconsolidated Statement of Current Liabilities and Provisions, As Restated (Annexure VIII);
- vi. Unconsolidated Statement of Other Income, As Restated (Annexure IX);
- vii. Unconsolidated Capitalization Statement (Annexure X);
- viii. Unconsolidated Summary of Accounting Ratios, As Restated (Annexure XI);
- ix. Unconsolidated Statement of Related Party Transactions (Annexure XII);
- x. Significant Accounting Policies , Notes to Accounts, and Notes to Adjustments, As Restated (Annexure XIII)
- xi. Unconsolidated Statement of Contingent Liability (Annexure XIV)
- xii. Unconsolidated Statement of Reserves and Surplus, As Restated (Annexure XV);
- xiii. Unconsolidated Statement of Tax shelter, As Restated (Annexure XVI);

- xiv. Unconsolidated Statement of Inventories, As Restated (Annexure XVII);
 - xv. Unconsolidated Statement of Share Capital, As Restated (Annexure XVIII);
 - xvi. Unconsolidated Statement of Fixed Assets, As Restated (Annexure XIX);
-
- 4. In our opinion, the “Financial Information as per Audited Financial Statements” and “Other Financial Information” mentioned above for the years ended March 31, 2005, 2006, 2007, 2008 , 2009 and three months ended June 30, 2009. have been prepared in accordance with Part II of the Act and the SEBI Regulations.
 - 5. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should it be construed as a new opinion on any of the financial statements referred to therein.
 - 6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 - 7. This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Shaparia & Mehta
Chartered Accountants

Sanjiv Mehta
Partner
Membership No. 34950
Mumbai
Date: December 24, 2009

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE I

UNCONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Million

	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
A)	FIXED ASSETS						
	Gross Block	96.17	90.25	61.06	-	-	-
	Less: Depreciation	23.22	19.43	3.60	-	-	-
	Net Block	72.94	70.82	57.46	-	-	-
	(A)	72.94	70.82	57.46	-	-	-
B)	INVESTMENTS	577.50	586.23	1,449.28	332.85	480.32	-
	(B)	577.50	586.23	1,449.28	332.85	480.32	-
C)	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	1,258.88	1,230.86	827.90	-	-	-
	Cash and Bank Balances	24.67	3.20	3.33	0.13	0.73	5.08
	Loans and Advances	2,821.90	2,686.42	478.70	211.03	2.12	76.50
	Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
	Loans and Advances after adjustment of Revaluation Reserve	2,628.24	2,492.76	478.70	211.03	2.12	76.50
	(C)	3,911.78	3,726.81	1,309.92	211.17	2.85	81.58
D)	LIABILITES AND PROVISIONS						
	Secured Loans	95.46	79.65	0.88	-	39.70	-
	Unsecured Loans	1,315.00	1,315.00	1,390.13	57.66	26.60	-
	Advances & Deposits from customers	375.06	256.45	67.50	60.00	-	-
	Current Liabilities and Provisions	214.92	228.36	473.49	0.98	0.27	0.02
	(D)	2,000.44	1,879.46	1,932.00	118.64	66.57	0.02
E)	DEFERRED TAX ASSET / (LIABILITY) (E)	0.46	0.38	0.29	-	-	-
F)	NET WORTH (A+B+C-D+E)	2,562.25	2,504.78	884.95	425.37	416.60	81.57
	Represented by Share Capital	390.80	390.80	336.60	336.60	336.60	83.10
	Share Application Money	84.40	64.40	443.80	10.60	10.60	-
	Reserves and Surplus	2,280.71	2,243.25	104.55	79.08	70.61	-
	Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
	Reserves (Net of Revaluation Reserve)	2,087.05	2,049.58	104.55	79.08	70.61	-
	Miscellaneous Expenditure	-	-	-	(0.91)	(1.21)	(1.53)
	(to the extent not written off or adjusted)						
H)	NET WORTH	2,562.25	2,504.78	884.95	425.37	416.60	81.57

Note: The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIII.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE II

UNCONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. In Million

	Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
A	INCOME						
	Share of Profit from Partnership Firm	7.26	42.39	42.78	23.77	15.33	-
	Total Operating Income	7.26	42.39	42.78	23.77	15.33	-
	Other Income	47.64	116.80	-	-	0.07	-
	Total (A)	54.90	159.19	42.78	23.77	15.41	-
B	EXPENDITURE						
	Land Acquisition / Improvement Cost	0.20	338.54	784.23	-	-	-
	Cost of Construction	6.94	16.12	2.73	-	-	-
	(Increase) / Decrease in Inventory	(28.02)	(402.96)	(785.11)	-	-	-
	Administrative, Selling & Other Expenses	14.61	30.01	19.36	3.64	0.02	-
	Finance Expenses	2.47	2.45	19.61	5.19	0.25	-
	Depreciation	3.80	15.84	3.60	-	-	-
	Preliminary expenses written off	-	-	0.91	0.30	1.44	-
	Total (B)	(0.00)	(0.00)	45.33	9.14	1.71	-
	Net Profit Before Tax and Extraordinary Items (A-B)	54.90	159.19	(2.54)	14.63	13.69	-
	Less : Taxation	(17.50)	(28.43)	-	-	-	-
	Less : Provision for Deferred Tax	0.09	0.08	0.29	-	-	-
	Less : Provision for Wealth Tax	(0.02)	(0.03)	-	-	-	-
	Less : Provision for Fringe Benefit Tax	-	(0.54)	(0.40)	-	-	-
	Less : Profit of the Firm distributed to the partners	-	-	-	-	-	-
	Less : Prior Period Adjustments	-	(38.64)	-	-	-	-
	Less : Minority Interest	-	-	-	-	-	-
	Net Profit Before Extraordinary Items	37.47	91.62	(2.65)	14.63	13.69	-
	Less : Extraordinary Items	-	-	-	-	-	-
	Net Profit After Extraordinary Items As Per Audited Financial Statement	37.47	91.62	(2.65)	14.63	13.69	-

	Less : Adjustments made on account of Restatement (Refer Note C of Annexure XIII on Restatement Adjustments)	-	22.91	28.08	(6.16)	(2.48)	-
	Net Profit After Tax As Per Restated	37.47	114.53	25.43	8.47	11.21	-
	Profit and Loss account, beginning of the year	159.68	45.15	19.68	11.21	-	-
	Balance available for appropriations, as restated	197.15	159.68	45.15	19.68	11.21	-
	Transfer to General Reserve	-	-	-	-	-	-
	Dividend	-	-	-	-	-	-
	Tax on Dividend	-	-	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	197.15	159.68	45.15	19.68	11.21	-

Note:

The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIII.

**NEPTUNE DEVELOPERS
LIMITED**

ANNEXURE III

Rs. In Million

Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
Cash Flows From Operating Activities						
Net Profit before taxation, and extraordinary items	54.90	143.46	25.58	8.48	11.21	-
Adjustment for:	-	-	-	-	-	-
Depreciation	3.80	15.84	3.60	-	-	-
Deferred Tax	(0.09)	(0.08)	(0.29)	-	-	-
Preliminary expenses written off	-	-	0.91	0.30	0.32	-
Other Income	(47.53)	(116.89)	-	-	(0.07)	-
Finance Expenses	2.47	2.45	19.61	5.19	0.25	-
Operating profit before working capital changes	13.55	44.77	49.40	13.97	11.71	-
(Increase)/Decrease in Sundry debtors	-	-	0.02	-	-	-
(Increase)/Decrease in Inventories	(28.02)	(402.96)	(827.90)	-	-	-
(Increase)/Decrease in Loans and advances	(135.48)	(2,014.06)	(267.69)	(208.91)	74.38	(76.50)
Increase/(Decrease) in Current liabilities	105.18	(56.19)	480.01	60.71	0.26	0.02
Cash generated from operations	(44.77)	(2,428.44)	(566.15)	(134.23)	86.34	(76.48)
Income tax paid	(17.43)	(28.92)	(0.11)	(0.01)	-	-
Preliminary expenses	-	-	-	-	-	(1.53)
Net Cash from operating activities (A)	(62.21)	(2,457.36)	(566.26)	(134.24)	86.34	(78.02)
Cash flow from Investing activities	0.00	-	-	-	-	-
Net Increase in Fixed assets	(5.92)	(29.20)	(61.06)	-	-	-
(Increase) / Decrease in Investments	8.73	863.05	(1,116.43)	147.47	(480.32)	-
Interest Received / Dividend Received	47.53	116.89	-	-	0.07	-
Net Cash from investing activities (B)	50.34	950.74	(1,177.49)	147.47	(480.25)	-
Cash Flow From Financing Activities						

Proceeds from issue of share capital	-	54.20	-	-	253.50	83.10
Share Premium	-	1,830.50	-	-	59.40	-
Other Reserves	-	-	-	-	-	-
Share Application Money	20.00	(379.40)	433.20	-	10.60	-
Net increase in Long term borrowings	15.81	3.64	1,333.35	(8.63)	66.30	-
Finance Expenses	(2.47)	(2.45)	(19.61)	(5.19)	(0.25)	-
Net Cash from Financing activities (C)	33.34	1,506.49	1,746.94	(13.83)	389.55	83.10
Net increase in cash and cash equivalents (A+B+C)	21.47	(0.13)	3.20	(0.60)	(4.35)	5.08
Cash and cash equivalents at beginning of period	3.20	3.33	0.13	0.73	5.08	-
Cash and cash equivalents at the end of period	24.67	3.20	3.33	0.13	0.73	5.08

Note:

The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE IV

UNCONSOLIDATED DETAILS OF SECURED LOANS, AS RESTATED

Rs. In Million

	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
A)	WORKING CAPITAL LOAN (O/D)						
	i) Axis Bank Ltd.	49.90	49.90	-	-	-	-
	(Secured by pledge of Fixed Deposit with Bank)						
	ii) Indian Bank	34.34	17.92	-	-	-	-
	(Secured by pledge of Fixed Deposit with Bank)						
B)	VEHICLE LOAN:	11.22	11.83	0.88	-	39.70	-
	Total	95.46	79.65	0.88	-	39.70	-

Notes:

- Vehicle loans are secured against hypothecation of car, except in F.Y. 2005-06 where it is secured against third party guarantee.

Details of secured Loan as on 30th June, 2009

S. No	Source	Rate of interest	Repayment Schedule	Security	Penal Interest & Liquidated damages & Prepayment Charges	Amount outstanding as on June 30, 2009 (In Million)
	Overdraft					
1	Axis Bank Ltd	13.55%	-	Pledge of Fixed Deposit of NEPL	-	13.50
	Axis Bank Ltd	9.00%	-	Pledge of Fixed Deposit of NVDPL	-	36.40
	Indian Bank	12.50%	-	Pledge of Fixed Deposit of NEPL	-	34.34
	Car Loan					
2	Axis Bank Ltd	-	Repayment in monthly basis	Secure against Hypothecation of car	-	1.70
	Axis Bank Ltd	-		Secure against Hypothecation of car	-	1.19
	ICICI Bank Ltd.	-		Secure against Hypothecation of car	-	7.64
	ICICI Bank Ltd.	-		Secure against Hypothecation of car	-	0.69
	TOTAL					11.22

NEPTUNE DEVELOPERS LIMITED

ANNEXURE V

UNCONSOLIDATED DETAILS OF UNSECURED LOANS, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Loans From:						
Directors	-	-	-	-	-	-
<u>Promoters</u>						
Nayan A. Bheda	-	-	-	5.45	4.50	-
Sachin M. Deshmukh	-	-	-	0.10	0.10	-
Subsidiary Companies	-	-	-	-	-	-
<u>Group Companies</u>						
MT Educare Pvt. Ltd.	-	-	-	10.00	-	-
Associate Companies	-	-	-	-	-	-
Other Corporate Bodies	1,315.00	1,315.00	1,390.13	42.11	22.00	-
Total	1,315.00	1,315.00	1,390.13	57.66	26.60	-

Note:

Loans from Promoters, Group Companies and Other Corporate Bodies are repayable on demand and there is no stipulation as to payment of interest.

NEPTUNE DEVELOPERS LIMITED							
ANNEXURE VI							
							Rs. In Million
	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
	<u>Long Term (At Cost) (Unquoted) (Non Traded)</u>						
	-						
A)	<u>Fully paid Equity Shares</u>						
	Investment in Shares of Associates						
	49,99,800 Class "B" Equity Shares of Rs. 11.6705/- each fully paid up in Neptune Enclave Pvt. Ltd. (Face Value Rs. 10/- including investment cost)	58.99	58.99	58.99	-	-	-
	19,800 Class "A" Equity Shares of Rs.10/- each fully paid up in Neptune Realtors Pvt Ltd. (In F.Y 06-07 & 07-08, 10,000 Equity Shares of Rs.10/- each)	0.20	0.20	0.10	0.10	-	-
	10,000 Class "B" Equity Shares of Rs.10/- each fully paid up in Neptune Realtors Pvt Ltd.	0.10	0.10	0.10	0.10	-	-
	Investment in Shares of Subsidiary						
	9,999 Equity Shares of Rs.10/- each fully paid up in Deshmukh Projects Developers Pvt. Ltd.	0.10	0.10	-	-	-	-
	9,999 Equity Shares of Rs.10/- each fully paid up in Juhi Realtors Pvt.Ltd.	0.10	0.10	-	-	-	-
	9,999 Equity Shares of Rs.10/- each fully paid up in Kavya Realtors Pvt.Ltd.	0.10	0.10	-	-	-	-
	9,800 Equity Shares of Rs.10/- each fully paid up in Neptune Residency Pvt.Ltd.	0.10	0.10	-	-	-	-
	95,470 Equity Shares of Rs.10/- each fully paid up in Neptune Ventures & Developers Pvt.Ltd.	0.95	0.95	-	-	-	-

	9,800 Equity Shares of Rs.10/- each fully paid up in Neptune Homes Pvt.Ltd.	0.10	0.10	-	-	-	-
	9,800 Equity Shares of Rs.10/- each fully paid up in Neptune Housing & Realty Pvt.Ltd.	0.10	0.10	-	-	-	-
	9,800 Equity Shares of Rs.10/- each fully paid up in Neptune Realtors & Developers Pvt.Ltd.	0.10	0.10	-	-	-	-
	9,800 Equity Shares of Rs.10/- each fully paid up in Neptune Realty & Property Management Pvt.Ltd.	0.10	0.10	-	-	-	-
B							
)	<u>Partnership Firms</u>	-	-	-	-	-	-
	Capital in Neptune Developers	250.77	259.50	293.77	(36.68)	55.47	-
	Capital in Neptune Construction	-	-	-	-	10.29	-
	Capital in Neptune Enterprise	-	-	830.62	369.33	414.56	-
C							
)	<u>Debentures</u>						
	1,14,80,000, 14% Non Convertible Debentures of Rs. 10/- each in Neptune Realtors Pvt. Ltd.	114.80	114.80	114.80	-	-	-
	15,09,010 15.5% Optionally Convertible Debentures of Rs. 10/- each in Neptune Enclave Pvt. Ltd.	150.90	150.90	150.90	-	-	-
	TOTAL	577.50	586.23	1,449.28	332.85	480.32	-
	Note:						
	The Partnership Firm Neptune Enterprise was converted into Part IX Company Neptune Ventures & Developers Pvt. Ltd. with effect from 15th January 2009.						

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE VII

UNCONSOLIDATED STATEMENT OF LOANS & ADVANCES, AS RESTATED

Rs. In Million

Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
<u>Loans to Associates</u>						
Neptune Enclave Pvt.Ltd.	15.35	0.35	3.40	-	-	-
Neptune Realtors Pvt.Ltd.	459.88	448.71	184.25	113.00	-	-
<u>Loans to Subsidiaries</u>						
Neptune Homes Pvt. Ltd.	262.90	262.87	-	-	-	-
Deshmukh Projects Developers Pvt. Ltd.	76.75	76.75	-	-	-	-
Juhi Realtors Pvt.Ltd.	6.03	6.03	-	-	-	-
Kavya Realtors Pvt. Ltd.	50.61	50.61	-	-	-	-
Neptune Ventures & Developers Pvt.Ltd.	1,440.25	1,426.08	-	-	-	-
Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
<u>Loans to Group Companies</u>						
Neptune Constructions	-	-	-	20.29	-	-
Neptune Enterprises	-	-	-	-	-	76.50
Neptune Developers & Constructions	63.83	55.63	60.00	-	-	-
Neptune Oil & Energy Ventures Pvt.Ltd.	2.64	2.64	1.13	-	-	-
<u>Loans to Promoter</u>						
Mahesh R. Shetty	10.00	10.00	10.00	-	-	-
Loans to Body Corporate	116.00	50.00	-	-	-	-
Loan to Employees (Refer note 4 below)	0.22	-	0.00	-	-	-
Advance Tax and Tax deducted at source	29.97	19.09	4.27	0.01	0.01	-
Advances recoverable in cash or in kind or for value to be received	40.79	33.95	16.16	76.13	1.11	-

Deposits	3.95	3.93	3.92	1.60	1.00	-
Others Loans and advances to suppliers	242.73	239.78	195.56	-	-	-
Total	2,628.24	2,492.76	478.70	211.03	2.12	76.50

Notes:

1. The List of persons/ entities classified as “Promoters and Promoter Group” has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.
2. The figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company.
3. Loans to Subsidiaries, Associates, Group Companies and Body Corporate are repayable on demand and there is no stipulation as to interest.
4. No interest is charged on loans to employee. The repayment is by way of deduction from salary. The other terms of the loan repayment are as per mutual agreement with employees.
5. In March 2009 and June 2009 debit balance of Neptune Developers Limited in capital & current account of Neptune Enterprises, has been transferred to Loans & Advances, consequent to conversion of Neptune Enterprises (Partnership firm) into Part IX Company Neptune Ventures & Developers Pvt. Ltd.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE VIII

UNCONSOLIDATED DETAILS OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Current Liabilities:						
Sundry Creditors – Materials	2.99	2.65	-	-	-	-
Sundry Creditors – Capital Items	2.53	2.50	1.16	-	-	-
Sundry Creditors – Construction Cost	156.57	164.47	433.71	-	-	-
Sundry Creditors – Expenses	2.60	27.78	3.13	0.05	-	-
Sundry Creditors – Retention	1.20	1.00	0.89	-	-	-
Provisions:						
Provision	46.47	28.93	0.19	-	-	-
Other Liabilities	2.55	1.03	34.40	0.93	0.27	0.02
Total	214.92	228.36	473.49	0.98	0.27	0.02

NEPTUNE DEVELOPERS LIMITED

ANNEXURE IX

UNCONSOLIDATED STATEMENTS OF OTHER INCOME, AS RESTATED

Rs. In Million

	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005	Related / Incidental to Business Activity
A)	<u>Recurring</u>							
	Interest Income	47.53	116.80	-	-	0.07	-	Related
B)	<u>Non - Recurring</u>							
	Miscellaneous Income	0.10	-	-	-	-	-	Related
	TOTAL	47.64	116.80	-	-	0.07	-	-
	Adjustments on account of Restatement (Refer Note C of Annexure XIII on Restatement Adjustments)	-	0.10	-	-	-	-	Incidental
	TOTAL	47.64	116.89	-	-	0.07	-	-
	Net Profit Before Tax, as Restated	54.90	143.46	25.54	8.48	11.21	-	-
	% to Other Income	86.77%	81.48%	0.00%	0.00%	0.66%	-	-

Note:

The classification of "Other Income" as Recurring/ Non Recurring and Related / Incidental is based on the current operations and business activities of the Company as determined by the management.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE - X

UNCONSOLIDATED CAPITALIZATION STATEMENT, AS RESTATED

Particulars	Pre Issue as at June 30,2009	Pre Issue as at March 31, 2009	As Adjusted for Issue #
Debt			
Short Term Debt	1,399.24	1,382.82	
Long Term Debt	11.22	11.83	
Total Debt	1,410.46	1,394.65	
Shareholders Funds			
Share Capital	390.80	390.80	
Share Application Money	84.40	64.40	
Reserves & Surplus			
Securities Premium	1,889.90	1,889.90	
Profit and loss account	197.15	159.68	
Total Share Holders Funds	2,562.25	2,504.78	
Short Term Debt Equity Ratio	0.55	0.55	
Long Term Debt Equity Ratio	0.00	0.00	
Total Debt Equity Ratio	0.55	0.56	

1. The figures disclosed above are based on the restated summary statements of the Company for the respective year/period.
2. Shareholders Fund includes Share Application Money.

NEPTUNE DEVELOPERS LIMITED

ANNEXURE XI

UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Rs. In Million except for per share

Sr. No.	Particulars	As at June 30, 2009	As at 31st, March 2009	As at 31st, March 2008	As at 31st, March 2007	As at 31st, March 2006	As at 31st, March 2005
1	<u>Adjusted Profit To Income From Operations (%)</u>						
	Net Profit Before Tax, as restated	54.90	143.46	25.54	8.48	11.21	-
	Income From Operations, as restated	7.26	26.56	28.08	15.23	12.85	-
	Adjusted Profit To Income From Operations (%)	755.74%	540.05%	90.95%	55.68%	87.25%	-
2	<u>Earning Per Share (EPS)</u>						
	Net Profit After Tax, as restated	37.47	114.53	25.43	8.47	11.21	-
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000	3,660,000	10,000
	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000	3,196,000	10,000
	Earning Per Share (EPS) (Rs)	2.54	7.91	6.81	2.31	3.51	-
3	<u>Diluted EPS</u>						
	Net profit after tax, as restated	37.47	114.53	25.43	8.47	11.21	-
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000	3,660,000	10,000
	Weighted Average Number of Equity Shares Outstanding Post Dilution	105,243,433	103,194,394	4,488,944	12,685,600	12,221,600	8,310,000
	Diluted EPS (Rs)	0.36	1.11	5.67	0.67	0.92	-
4	<u>Cash Earning Per Share</u>						
	Net Profit After Tax But Before Depreciation, as restated	41.26	130.37	29.03	8.47	11.21	-
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000	3,660,000	8,310,000

	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000	3,196,000	10,000
	Cash Earning Per Share (Rs)	2.80	9.00	7.78	2.31	3.51	-
5	<u>Net Assets Value (NAV)</u>						
	Net Assets	2,352.40	2,294.93	675.10	125.37	116.60	(1.43)
	No. Of Equity Shares Post Dilution	105,243,433	105,008,277	13,429,848	12,685,600	12,685,600	8,310,000
	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000	3,220,728	10,000
	NAV Per Share (Rs)	22.35	21.85	50.27	9.88	9.19	(0.17)
6	<u>Return on Net Worth</u>						
	Net profit after tax, as restated	37.47	114.53	25.43	8.47	11.21	-
	Net Worth	2,562.25	2,504.78	884.95	425.37	416.60	81.57
	Return on Net Worth (%)	1.46%	4.57%	2.87%	1.99%	2.69%	0.00%

Definition of ratios:

- The Ratios have been calculated as below:

$$\text{Adjusted Profit To Income From Operations (\%)} = \frac{\text{Net Profit Before Tax, as restated}}{\text{Income From Operations}} \times 100$$

$$\text{Earning Per Share (Rs)} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$$

$$\text{Diluted EPS} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Weighted Average Number of Equity Shares Post Dilution Outstanding}}$$

$$\text{Cash Earnings Per Share} = \frac{\text{Net Profit / (Loss) After Tax but before Depreciation}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$$

$$\text{Net Asset Value Per Share} = \frac{\text{Net Worth Excluding Revaluation Reserve, Preference Share Capital}}{\text{Number of Equity Shares Post Dilution}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Net Worth Excluding Revaluation Reserve}} \times 100$$

- Earnings Per Share has been calculated in accordance with Accounting Standard 20 - Earnings Per Share issued by the Institute of Chartered Accountants of India.
- Profit and Loss as restated has been considered for the purpose of computing the above ratios.
- The potential dilution impact of Convertible Preference Shares, Bonus Shares and Share Application Money is considered as potential equity shares as under. The effect of bonus share has been considered for dilution for the financial years 2008-2009 and June 2009. The date of dilution of potential equity share is taken to have been issued on the first day of the financial year.

Type Of Potential Equity Share	As at June 30, 2009	As at 31st, March 2009	As at 31st, March 2008	As at 31st, March 2007	As at 31st, March 2006	As at 31st, March 2005
Compulsory Convertible Preference Shares	1,388,866	1,388,866	-	9,015,000	9,015,000	8,300,000
Share Application Money	2,417,341	64,400	754,848	10,600	10,600	-
Bonus Shares	88,816,638	88,816,638	-	-	-	-

5. Net Worth while calculating the Net Asset Value per share is calculated for Equity Shareholders only and therefore the Preference Share Capital is excluded from the Net worth.
6. While calculating the Net Assets Value the total number of equity shares outstanding post dilution are considered.

NEPTUNE DEVELOPERS LIMITED**ANNEXURE - XII****UNCONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS****(In compliance with Accounting Standard 18 – Related Party Discloser)****A. List of related parties:****(As identified by the management)****a. Enterprises controlled by the Company:****i. Subsidiaries where control exist:**

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1	Neptune Homes Private Limited	Neptune Homes Private Limited from 25/04/2008	-	-	-	-
2	Neptune Housing and Realty Private Limited	Neptune Housing and Realty Private Limited from 25/04/2008	-	-	-	-
3	Neptune Realtors & Developers Private Limited	Neptune Realtors & Developers Private Limited from 25/04/2008	-	-	-	-
4	Neptune Realty and Property Management Private Limited	Neptune Realty and Property Management Private Limited from 25/04/2008	-	-	-	-
5	Neptune Residency Private Limited	Neptune Residency Private Limited from 30/05/2008	-	-	-	-
6	Juhi Realtors Private Limited	Juhi Realtors Private Limited from 19/06/2008	-	-	-	-
7	Kavya Realtors Private Limited	Kavya Realtors Private Limited from 19/06/2008	-	-	-	-
8	Deshmukh Projects Developers Private Limited	Deshmukh Projects Developers Private Limited from 19/06/2008	-	-	-	-
9	Neptune Ventures and Developers Private Limited	Neptune Ventures and Developers Private Limited (Part IX conversion from partnership firm Neptune Enterprise with effect from 15 th January, 2009)	-	-	-	-

10	-	Neptune Enterprises upto 14/01/2009	Neptune Enterprises	Neptune Enterprises	Neptune Enterprises	Neptune Enterprises
-	Neptune Developers	Neptune Developers	Neptune Developers	Neptune Developers	Neptune Developers	-

ii. Parties where control exist:

Associate

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1	Neptune Realtors Private Limited	Neptune Realtors Private Limited	Neptune Realtors Private Limited	Neptune Realtors Private Limited from 20/11/2006	-	-
2	Neptune Enclave Private Limited	Neptune Enclave Private Limited	Neptune Enclave Private Limited from 18/01/2008	-	-	-

Promoters group:

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited from 14/12/2006	-	-
2	(NMS Holdings Private Limited wef 18/09/2009 Formerly known as Thakkar Capital Services Private Limited	Thakkar Capital Services Private Limited	Thakkar Capital Services Private Limited	Thakkar Capital Services Private Limited	Thakkar Capital Services Private Limited	Thakkar Capital Services Private Limited
3	Neptune Oil & Energy Ventures Private Limited	Neptune Oil & Energy Ventures Private Limited from 28/03/2008	-	-	-	-
4	Prithviraj Shares and Securities Private Limited	Prithviraj Shares and Securities Private Limited from 24/04/2008	-	-	-	-
5	-	-	-	Neptune Constructions upto 01/04/2006	Neptune Constructions from 01/05/2005	-
6	MT Educare Private Limited	MT Educare Private Limited	MT Educare Private Limited	MT Educare Private Limited	-	-

7	-	Mahesh Tutorials Science Private Ltd	-	-	-	-
8	-	Mahesh Tutorials Commerce Private Ltd	-	-	-	-
9	Mahesh Tutorials Private Ltd.	Mahesh Tutorials Private Ltd.	Mahesh Tutorials Private Ltd.	Mahesh Tutorials Private Ltd.	-	-
10	C.A Bheda & associates	C.A Bheda & associates	C.A Bheda & associates	C.A Bheda & associates	-	-

iii Key Management Personnel and their relatives:

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda
2	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh
3	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty
4	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah
5	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda
6	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi
7	Mrs. Ekta Nayan.Bheda	Mrs. Ekta Nayan.Bheda	Mrs. Ekta Nayan.Bheda	Mrs. Ekta Nayan.Bheda	Mrs. Ekta Nayan.Bheda	Mrs. Ekta Nayan.Bheda
8	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh
9	Mrs. Roopa M. Shetty	Mrs. Roopa M. Shetty	Mrs. Roopa M. Shetty	Mrs. Roopa M. Shetty	Mrs. Roopa M. Shetty	Mrs. Roopa M. Shetty
10	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah
11	Mrs. Alka Chetan.Bheda	Mrs. Alka Chetan.Bheda	Mrs. Alka Chetan.Bheda	Mrs. Alka Chetan.Bheda	Mrs. Alka Chetan.Bheda	Mrs. Alka Chetan.Bheda
12	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi
13	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda
14	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh
15	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty
16	Mr. Thakarshi M.Shah	Mr. Thakarshi M.Shah	Mr. Thakarshi M.Shah	Mr. Thakarshi M.Shah	Mr. Thakarshi M.Shah	Mr. Thakarshi M.Shah
17	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda	Mr. Ashok Kalyanji.Bheda
18	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi
19	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda
20	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh
21	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty
22	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah
23	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda
24	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi

25	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda
26	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh
27	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty
28	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah	-	-
29	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda
30	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi
31	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	-
32	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh	-	-
33	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi
34	Mr. Naman .Nayan. Bheda	Mr. Naman .Nayan. Bheda	-	-	-	-
35	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda
36	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh
37	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda
38	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya
39	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare
40	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty
41	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia
42	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya
43	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani
44	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal
45	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota
46	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani
47	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil
48	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty
49	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala
50	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani

51	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya
52	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani
53	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil
54	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty
55	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala
56	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani
57	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya
58	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt
59	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke
60	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty
61	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi
62	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand
63	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty
64	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah
65	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri
66	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty
67	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani
68	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil
69	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala
70	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani
71	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala
72	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani
73	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala
74	Mr. Anindya Mitra	-	-	-	-	-

B. Transactions during the year (at arm's length) and Balance Outstanding as at the year end with related parties are as follows:

i) Subsidiaries

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	Rupees in Millions	
					March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Share of Profit	7.26	42.39	42.78	23.77	5.04	-
Interest received	31.58	70.50	65.43	-	-	-
Expense recoverable	1.53	3.50	-	-	-	-
Finance						
Loans taken	50.96	72.57	-	-	-	-
Loans given	65.12	1,894.92	-	-	-	-
Advances Recovered	-	2.77	-	-	-	-
Investments in Equity Shares	-	1.74	-	-	-	-
Net Investment in Partnership Firm	(8.73)	(887.70)	791.74	(137.37)	470.03	-
2. Balance at the end of the year						
Loans given	1,836.51	1,822.34	-	-	-	-
Advances Recoverable	2.26	0.73	-	-	-	-
Investments in Equity Shares	1.74	1.74	-	-	-	-
Investment in Partnership Firm	250.77	259.50	1,124.39	332.65	470.03	-
Guarantee Given	1,229.62	1,159.67	894.99	519.99	549.99	-

ii) Associates

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	Rupees in Millions	
					March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Interest received	42.37	45.73	18.76	-	-	-
Expense recoverable	0.23	1.79	1.28	0.02	-	-
Expenses						
Interest paid on loan	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
B. Finance						
Loans taken	-	8.76	74.40	342.10	-	-
Loans given	18.36	270.17	262.05	455.10	-	-
Advances Recovered	0.13	2.85	0.10	0.02	-	-
Investments	-	0.10	211.69	0.20	-	-
2. Balance at the end of the year						
Loans taken	-	-	-	-	-	-
Loans given	475.23	449.06	187.65	113.00	-	-

Investments	324.99	324.99	324.89	0.20	-	-
Advances recoverable	0.25	0.14	1.20	0.02	-	-
Issue of equity shares	-	-	-	-	-	-
Interest accrued	37.12	32.60	14.51	-	-	-

iii.) Promoters group

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	Rupees in Millions	
					March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Share of Profit	-	-	-	-	10.29	-
Expense recoverable	0.29	11.70	-	-	-	-
Expenses						
Interest paid on loan	-	0.21	-	-	-	-
Other expense	0.17	0.84	-	-	-	-
B. Finance						
Loans taken	1.50	47.10	32.79	19.50	-	-
Loans given	9.71	44.24	73.66	19.50	-	76.50
Issue of equity shares	-	-	-	-	6.60	-
Other Liabilities	-	-	30.26	-	-	-
Advances Recovered	(0.39)	1.40	0.02	-	-	-
2. Balance at the end of the year						
Loans taken	-	-	-	10.00	-	-
Loans given	66.47	58.27	61.13	-	-	-
Investments	-	-	-	-	10.29	-
Issue of equity shares	-	-	-	-	6.60	-
Other Liabilities	0.49	0.49	9.97	-	-	-
Advances recoverable	0.99	0.31	(0.02)	-	-	-

iv) Key Management personnel and their relatives

Rupees in Millions						
Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Expenses						
Remuneration	0.36	1.44	0.60	-	-	-
Salary	1.26	1.50	0.50	-	-	-
Finance						
Loans taken	-	9.50	-	1.00	14.60	1.63
Loans given	-	9.50	15.55	0.05	10.00	1.63
Issue of equity shares	-	-	90.15	6.60	29.90	0.10
Issue of Preference shares	-	-	59.85	150.00	-	-
Other Liability	(0.14)	0.06	-	-	-	-
2. Balance at the end of the year						
Loans taken	-	-	-	5.55	4.60	-
Loans given	10.00	10.00	10.00	-	-	-
Issue of equity shares	126.75	126.75	126.75	36.60	30.00	0.10
Issue of Preference shares	209.85	209.85	209.85	150.00	-	-

C. Disclosure in respect of material transactions with parties:

i) Subsidiaries

(Rupees in Millions)						
Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Share of Profit						
Neptune Enterprises	-	42.39	40.47	23.77	5.04	-
Neptune Developers	7.26	-	2.32	-	-	-
	7.26	42.39	42.78	23.77	5.04	-

Interest received						
Interest from Partnership Firm - Neptune Enterprise	-	52.87	65.43	-	-	-
Interest on Loan - Neptune Ventures & Developers Pvt.Ltd	31.58	17.63	-	-	-	-
	31.58	70.50	65.43	-	-	-
Expenses recoverable						
Neptune Ventures & Developers Pvt Ltd	1.30	2.02	-	-	-	-
Neptune Developers	0.23	1.48	-	-	-	-
	1.53	3.50	-	-	-	-
B. Finance						
Loans taken						
Neptune Ventures & Developers Pvt Ltd	50.96	54.91	-	-	-	-
Neptune Homes P.L.	-	17.66	-	-	-	-
	50.96	72.57	-	-	-	-
Loans given						
Neptune Ventures & Developers Pvt Ltd	65.12	1,480.99	-	-	-	-
Deshmukh Projects Developers Pvt.Ltd.	-	76.75	-	-	-	-
Juhi Realtors Pvt.Ltd.	-	6.03	-	-	-	-
Kavya Realtors Pvt. Ltd.	-	50.61	-	-	-	-
Neptune Homes P.L.	-	280.53	-	-	-	-
	65.12	1,894.92	-	-	-	-
Advances Recovered						
Neptune Ventures & Developers Pvt Ltd	-	1.43	-	-	-	-
Neptune Developers	-	1.34	-	-	-	-
	-	2.77	-	-	-	-
Investment in Equity Share						
Neptune Ventures & Developers Pvt Ltd	-	0.95	-	-	-	-
Deshmukh Projects Developers Pvt.Ltd.	-	0.10	-	-	-	-
Juhi Realtors Pvt.Ltd.	-	0.10	-	-	-	-
Kavya Realtors Pvt. Ltd.	-	0.10	-	-	-	-
Neptune Homes P.L.	-	0.10	-	-	-	-
Neptune Housing & Reality P.L.	-	0.10	-	-	-	-
Neptune Realtors & Dev.P.L.	-	0.10	-	-	-	-
Neptune Realty & Prop.Mang. P.Ltd.	-	0.10	-	-	-	-
Neptune Residency P.Ltd.	-	0.10	-	-	-	-
	-	1.74	-	-	-	-

Net Investment in Partnership Firm						
Neptune Enterprise	-	(853.43)	461.28	(45.22)	414.56	-
Neptune Developers	(8.73)	(34.28)	330.46	(92.15)	55.47	-
	(8.73)	(887.70)	791.74	(137.37)	470.03	-
2. Balance at the end of the year						
Loans taken	-	-	-	-	-	-
Loans given						
Neptune Ventures & Developers Pvt Ltd	1,440.25	1,426.08	-	-	-	-
Deshmukh Projects Developers Pvt.Ltd.	76.75	76.75	-	-	-	-
Juhi Realtors Pvt.Ltd.	6.03	6.03	-	-	-	-
Kavya Realtors Pvt. Ltd.	50.61	50.61	-	-	-	-
Neptune Homes P.L.	262.87	262.87	-	-	-	-
	1,836.51	1,822.34	-	-	-	-
Advances Recoverable						
Neptune Ventures & Developers Pvt Ltd	1.88	0.59	-	-	-	-
Neptune Developers	0.37	0.14	-	-	-	-
	2.26	0.73	-	-	-	-
Investment in Equity Share						
Neptune Ventures & Developers Pvt Ltd	0.95	0.95	-	-	-	-
Deshmukh Projects Developers Pvt.Ltd.	0.10	0.10	-	-	-	-
Juhi Realtors Pvt.Ltd.	0.10	0.10	-	-	-	-
Kavya Realtors Pvt. Ltd.	0.10	0.10	-	-	-	-
Neptune Homes P.L.	0.10	0.10	-	-	-	-
Neptune Housing & Reality P.L.	0.10	0.10	-	-	-	-
Neptune Realtors & Dev.P.L.	0.10	0.10	-	-	-	-
Neptune Realty & Prop.Mang. P.Ltd.	0.10	0.10	-	-	-	-
Neptune Residency P.Ltd.	0.10	0.10	-	-	-	-
	1.74	1.74	-	-	-	-
Investment in Partnership Firm						
Neptune Enterprise	-	-	830.62	369.33	414.56	-
Neptune Developers	250.77	259.50	293.77	(36.68)	55.47	-
	250.77	259.50	1,124.39	332.65	470.03	-

ii) Associates

Rupees in Millions

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Interest received						
Interest on Debenture - Neptune Enclave Pvt. Ltd	32.26	23.39	2.68	-	-	-
Interest on Debenture - Neptune Realtors Pvt. Ltd	-	-	16.07	-	-	-
Interest on Loan - Neptune Realtors Pvt. Ltd	10.11	22.34	-	-	-	-
	42.37	45.73	18.76	-	-	-
Expenses recoverable						
Neptune Enclave Pvt. Ltd.	0.03	0.45	0.87	-	-	-
Neptune Realtors Pvt. Ltd.	0.20	1.34	0.40	0.02	-	-
	0.23	1.79	1.28	0.02	-	-
B. Finance						
Loans taken						
Neptune Realtors Pvt. Ltd.	-	5.06	74.40	342.10	-	-
Neptune Enclave Pvt. Ltd.	-	3.70	-	-	-	-
	-	8.76	74.40	342.10	-	-
Loans given						
Neptune Realtors Pvt. Ltd.	3.36	269.52	258.65	455.10	-	-
Neptune Enclave Pvt. Ltd.	15.00	0.65	3.40	-	-	-
	18.36	270.17	262.05	455.10	-	-
Advances Recovered						
Neptune Realtors Pvt. Ltd.	0.13	1.54	0.10	0.02	-	-
Neptune Enclave Pvt. Ltd.	-	1.31	-	-	-	-
	0.13	2.85	0.10	0.02	-	-
	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Neptune Realtors Pvt .Ltd. - Class 'A' Shares	-	0.10	-	0.10	-	-
Neptune Realtors Pvt .Ltd.. - Class 'B' Shares	-	-	-	0.10	-	-
Neptune Enclave Pvt .Ltd. - Class 'B' Shares	-	-	58.99	-	-	-
Neptune Realtors Pvt .Ltd. - Debentures	-	-	1.80	-	-	-
Neptune Enclave Pvt .Ltd. - Debentures	-	-	150.90	-	-	-

	-	0.10	211.69	0.20	-	-
2. Balance at the end of the year						
Loans given						
Neptune Realtors Pvt. Ltd.	459.88	448.71	184.25	113.00	-	-
Neptune Enclave Pvt. Ltd.	15.35	0.35	3.40	-	-	-
	475.23	449.06	187.65	113.00	-	-
Advances recoverable						
Neptune Realtors Pvt. Ltd.	0.20	0.13	0.32	0.02	-	-
Neptune Enclave Pvt. Ltd.	0.05	0.02	0.87	-	-	-
	0.25	0.14	1.20	0.02	-	-
Investment						
Neptune Realtors Pvt .Ltd. - Class 'A' Shares	0.20	0.20	0.10	0.10	-	-
Neptune Realtors Pvt .Ltd.. - Class 'B' Shares	0.10	0.10	0.10	0.10	-	-
Neptune Enclave Pvt. Ltd. - Class 'B' Shares	58.99	58.99	58.99	-	-	-
Neptune Realtors Pvt .Ltd.. - Debentures	114.80	114.80	114.80	-	-	-
Neptune Enclave Pvt .Ltd. - 15.5% Optionally convertible Debentures	150.90	150.90	150.90	-	-	-
	324.99	324.99	324.89	0.20	-	-
Interest accrued						
Neptune Enclave Pvt Ltd - Debenture	24.69	20.17	2.08	-	-	-
Neptune Realtors Pvt Ltd - Debenture	12.43	12.43	12.43	-	-	-
	37.12	32.60	14.51	-	-	-

iii.) Promoter Group.

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Income						
Share of Profit						
Neptune Construction	-	-	-	-	10.29	-
	-	-	-	-	10.29	-
Expenses recoverable						
Neptune Constructions	0.12	11.42	-	-	-	-
Neptune Developers & Constructions Pvt. Ltd.	0.17	0.29	-	-	-	-
	0.29	11.70	-	-	-	-
Expenses						
Interest paid						
Mahesh Tutorials Science Pvt. Ltd.	-	0.10	-	-	-	-
Mahesh Tutorials Commerce Pvt.Ltd.	-	0.10	-	-	-	-
	-	0.21	-	-	-	-
Other expense						
Professional Fees - C.A Bheda & associates	0.17	0.34	-	-	-	-
Sponsorship expense - Mahesh Tutorial commerce Pvt.Ltd	-	0.50	-	-	-	-
	0.17	0.84	-	-	-	-
B. Finance						
Loans taken						
Neptune Constructions	-	-	30.29	5.00	-	-
Neptune Developers & Constructions Pvt. Ltd.	1.50	10.05	10.00	-	-	-
Mahesh Tutorials Science Pvt. Ltd.	-	18.00	-	-	-	-
MT Educare Pvt.Ltd	-	-	(10.00)	10.00	-	-
Mahesh Tutorials Commerce Pvt.Ltd.	-	18.00	-	-	-	-
Thakkar Capital Services Pvt. Ltd.	-	-	2.50	4.50	-	-
Neptune Oil & Energy Ventures Pvt.Ltd	-	1.05	-	-	-	-
	1.50	47.10	32.79	19.50	-	-

Loans given						
Neptune Enterprise	-	-	-	-	-	76.50
Neptune Constructions	-	-	0.03	15.00	-	-
Neptune Developers & Constructions Pvt. Ltd.	9.71	5.68	70.00	-	-	-
Mahesh Tutorials Science Pvt. Ltd.	-	18.00	-	-	-	-
MT Educare Pvt.Ltd	-	-	-	-	-	-
Mahesh Tutorials Commerce Pvt.Ltd.	-	18.00	-	-	-	-
Thakkar Capital Services Pvt. Ltd.	-	-	2.50	4.50	-	-
Neptune Oil & Energy Ventures Pvt.Ltd	-	2.56	1.13	-	-	-
	9.71	44.24	73.66	19.50	-	76.50
Issue of equity shares						
Thakkar Capital Services Pvt. Ltd.	-	-	-	-	6.60	-
	-	-	-	-	6.60	-
Other Liabilities	-	-	-	-	-	-
Neptune Constructions	-	-	30.26	-	-	-
	-	-	30.26	-	-	-
Advances recovered						
Neptune Constructions	(0.39)	1.16	-	-	-	-
Neptune Developers & Constructions Pvt. Ltd.	-	0.24	0.02	-	-	-
	(0.39)	1.40	0.02	-	-	-
2. Balance at the end of the year						
Loans taken						
MT Educare Pvt.Ltd	-	-	-	10.00	-	-
	-	-	-	10.00	-	-
Loans given						
Neptune Constructions	-	-	-	20.29	-	-
Neptune Developers & Constructions Pvt. Ltd.	63.83	55.63	60.00	-	-	-
Neptune Oil & Energy Ventures Pvt.Ltd	2.64	2.64	1.13	-	-	-
	66.47	58.27	61.13	-	-	-
Investment						
Neptune Constructions	-	-	-	-	10.29	-
	-	-	-	-	10.29	-
Issue of equity shares						
Thakkar Capital Services Pvt. Ltd.	-	-	-	-	6.60	-
	-	-	-	-	6.60	-

Other Liabilities						
Neptune Constructions	-	-	9.97	-	-	-
Mahesh Tutorials Commerce Pvt.Ltd.	0.49	0.49	-	-	-	-
	0.49	0.49	9.97	-	-	-
Advances recoverable						
Neptune Constructions	0.80	0.29	-	-	-	-
Neptune Developers & Constructions Pvt. Ltd.	0.20	0.03	(0.02)	-	-	-
	0.99	0.31	(0.02)	-	-	-

iv) Key Management Personnel and their relatives

Rupees in Millions

Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
1) Transactions during the year						
A. Income/Expense						
Remuneration						
Nayan A. Bheda	0.18	0.72	0.30	-	-	-
Sachin Deshmukh	0.18	0.72	0.30	-	-	-
	0.36	1.44	0.60	-	-	-
Salary						
Nayan Shah	0.30	1.50	0.50	-	-	-
Alka Bheda	0.11	-	-	-	-	-
Anindya Mitra	0.85	-	-	-	-	-
	1.26	1.50	0.50	-	-	-
B. Finance						
Loans taken						

Sachin M. Deshmukh	-	1.00	-	-	0.10	0.75
Mahesh R. Shetty	-	-	-	-	10.00	-
Nayan A. Bheda	-	8.50	-	1.00	4.50	0.88
	-	9.50	-	1.00	14.60	1.63
Loans given						
Mahesh R. Shetty	-	-	10.00	-	10.00	-
Nayan A. Bheda	-	8.50	5.45	0.05	-	0.88
Sachin M. Deshmukh	-	1.00	0.10	-	-	0.75
	-	9.50	15.55	0.05	10.00	1.63
Issue of equity shares						
Nayan Bheda	-	-	40.70	-	9.96	0.04
Sachin Deshmukh	-	-	34.36	-	9.97	0.03
Nayan Shah	-	-	15.09	6.60	-	-
Mahesh Shetty	-	-	-	-	9.97	0.03
	-	-	90.15	6.60	29.90	0.10
Issue of Preference shares						
Nayan Bheda	-	-	43.35	78.90	-	-
Sachin Deshmukh	-	-	16.50	71.10	-	-
	-	-	59.85	150.00	-	-
2. Balance at the end of the year						
Loans taken						
Nayan Bheda	-	-	-	5.45	4.50	-
Sachin M. Deshmukh	-	-	-	0.10	0.10	-
	-	-	-	5.55	4.60	-

Loans given						
Mahesh Shetty	10.00	10.00	10.00	-	-	-
	10.00	10.00	10.00	-	-	-
Issue of equity shares						
Nayan Bheda	50.70	50.70	50.70	10.00	10.00	0.04
Sachin Deshmukh	44.36	44.36	44.36	10.00	10.00	0.03
Nayan Shah	21.69	21.69	21.69	6.60	-	-
Mahesh Shetty	10.00	10.00	10.00	10.00	10.00	0.03
	126.75	126.75	126.75	36.60	30.00	0.10
Issue of Preference shares						
Nayan Bheda	122.25	122.25	122.25	78.90	-	-
Sachin Deshmukh	87.60	87.60	87.60	71.10	-	-
	209.85	209.85	209.85	150.00	-	-

NEPTUNE DEVELOPERS LIMITED.

**ANNEXURE XIII: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS ON
STANDALONE RESTATED**

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied, except for the changes, if any, in accounting policy discussed more fully below, are consistent with those used in the previous year.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

3. Fixed Assets [In Compliance with AS 10 – Accounting for 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.

4. Depreciation [In Compliance with AS 6 – Depreciation Accounting]

Depreciation on assets is provided using written down value method at the rates prescribed under schedule XIV of the companies Act, 1956.

5. Impairment of Assets [In Compliance with AS 28 – Impairment of Assets]

The Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

6. Investments [In Compliance with AS 13 – Accounting for Investment]

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost.

7. Revenue Recognition [In Compliance with AS 9 – Revenue Recognition]

Revenue from Construction Activity

Revenue from sale of finished properties / buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer.

Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 35% of the total work involved.

Determination of revenue under percentage of completion method necessarily involves making estimates by management for % of completion, cost to completion, projected profits and foreseeable loss. These estimates have been relied upon by the auditors.

Income from Partnership firms

Share of Profit/loss and interest on capital from Partnership firms is taken into consideration on the basis of the audited accounts.

Interest Income

Interest on deployment of surplus fund is recognized using time proportion method based on underlying interest rate.

8. Inventories

Work in progress

Direct expenditure relating to construction activity is inventorised. Cost is determined by including cost of land, material, services, interest on borrowings (directly attributable to the project) and other related overheads. Cost incurred/building materials purchased specifically for the projects are taken as consumed as and when incurred/received and are added to the cost of Work in Progress.

Project and construction related Work in Progress is valued at cost till a major portion of the job is completed and thereafter at realizable value.

Finished Goods

Completed unsold inventory is valued at lower of cost or net realizable value.

Land

Property development land is valued at cost. Advances paid by the Company to the seller/intermediary toward outright purchase of land are recognized as advance for land under loans and advances, on obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, land is transferred to Work in Progress.

9. Borrowing Cost [In Compliance with AS 16 – Borrowing Cost]

Borrowing costs that are directly attributable to long term project development activities are capitalized as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs are capitalized as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress.

10. Lease Rentals [In Compliance with AS 19 – Leases]

The Company has taken office premises under renewable operating lease agreement. Operating lease payments are recognized as an expense in the Profit & Loss account on a monthly accrual basis as per the agreements.

11. Employees Benefits [In Compliance with AS 15 – Employee Benefits]

The Company has made Provision for Gratuity after considering 10% growth in salary and 7.5% in Interest rates where number of employees is less than 50. No formal retirement policy exists in the Company.

In a financial year, the employees are allowed, 21 days paid leave. Any unavailed leave is allowed to be carried forward to next two financial year. Newly joined employees are allowed paid leave on pro-rata basis. Any unavailed leave as per Company's policy is not encashable, therefore leave entitlement is not provided

12. Earnings Per Share [In Compliance with AS 20 – Earning Per Share]

Basic Earnings per Share are calculated by dividing the net profit or loss for the period attributable to Equity shareholders by the total number of Equity Shares outstanding during the period.

13. Income Taxes

Tax expense comprises of current tax, deferred tax, wealth tax and fringe benefit tax. Deferred tax are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, (AS 22) issued by the Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Fringe benefit tax is recognized in accordance with the relevant provisions of Income Tax Act, 1961 and the Guidance Note on Fringe Benefit Tax issued by the ICAI.

14. Provisions, Contingent Liabilities and Contingent Assets [In Compliance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets]

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

B. NOTES TO THE ACCOUNTS, RESTATED

BACKGROUND

NEPTUNE DEVELOPERS LTD. is a company originally incorporated as Neptune Developers Private Ltd. on 15th July 2004. It was converted from Private Limited Company to Public Limited Company effective 12th November, 2009. The company is engaged in Real Estate Development and Construction Business.

The accounts for the first time were prepared for the period 15th July, 2004 to 31st March, 2005 wherein the company had no transaction during the year.

The restated accounts have been prepared in accordance with Part II of Schedule II of the Companies Act and the SEBI Regulations to meet its requirement.

1. The details of Investments made in subsidiary/associate companies is as under:

Name of Company	30 th June 2009 (Rs in Million)	31 st March 2009 (Rs in Million)
Associates		
Neptune Realtors Pvt. Ltd. (Class A Equity Shares)	0.20	0.20
Neptune Realtors Pvt. Ltd. (Class B Equity Shares)	0.10	0.10
Neptune Enclaves Pvt. Ltd.	58.99	58.99
Subsidiaries		
Deshmukh Project Developers Pvt. Ltd	0.10	0.10

Juhi Realtors Pvt. Ltd.	0.10	0.10
Kavya Realtors Pvt. Ltd.	0.10	0.10
Neptune Residency Pvt. Ltd.	0.10	0.10
Neptune Ventures and Developers Pvt. Ltd.*	0.95	0.95
Neptune Homes Pvt. Ltd.	0.10	0.10
Neptune Housing and Realty Pvt. Ltd.	0.10	0.10
Neptune Realtors & Developers Pvt. Ltd.	0.10	0.10
Neptune Realty and Property Management Pvt. Ltd.	0.10	0.10

* Neptune Ventures & Developers Pvt. Ltd. became a subsidiary w.e.f 15th January, 2009.

The details of Investments made in the Capital Account of partnership firms are as under:

i) **M/s Neptune Enterprises**

Name of the Partner	Share of Profit / Loss			
	As on 14 th January 2009#	As on 31 st March 2008	As on 31 st March 2007	As on 31 st March 2006
Neptune Developers Ltd.	54.70 %	54.70 %	54.70 %	30.00 %

Neptune Enterprises was subsequently converted into Part IX Company, known as Neptune Ventures and Developers Pvt. Ltd. w.e.f 15th January 2009. The Company thus became a subsidiary of Neptune Developers Ltd from this date.

ii) **M/s Neptune Developers**

Name of the Partner	Share of Profit / Loss				
	As on 30 th June 2009	As on 31 st March 2009	As on 31 st March 2008	As on 31 st March 2007	As on 31 st March 2006
Neptune Developers Ltd.	91.00%	91.00%	91.00 %	91.00 %	91.00 %

2. **Remuneration to the Directors:**

Name of the Director	Rs in Million				
	As on 30 th June 2009	As on 31 st March 2009	As on 31 st March 2008	As on 31 st March 2007	As on 31 st March 2006
Nayan Bheda	0.18	0.72	0.30	-	-
Sachin Deshmukh	0.18	0.72	0.30	-	-

3. Remuneration to the Auditors:

Rs in Million

Particulars	As on 30 th June 2009	As on 31 st March 2009	As on 31 st March 2008	As on 31 st March 2007	As on 31 st March 2006	As on 31 st March 2005
Audit Fees	0.03	0.10	0.10	0.05	0.02	0.02
Service Tax	0.00	0.01	0.01	0.01	0.00	0.00
Total	0.03	0.11	0.11	0.06	0.02	0.02
<u>Others</u>						
Company Law Retainership fees	0.01	0.06	-	-	-	-
Service Tax	0.00	0.01	-	-	-	-
Total	0.01	0.07	-	-	-	-
Consultancy, Advisory and Taxation Matters	0.03	0.11	0.08	-	-	-
Service Tax	0.00	0.01	0.01	-	-	-
Total	0.03	0.12	0.09	-	-	-

4. The Breakup of Net Deferred Tax Assets / (Liabilities)

Rs in Million

Particulars	As on 30 th June 2009	As on 31 st March, 2009	As on 31 st March, 2008
Deferred Tax Asset as on 1st April, 2008 (A)	0.38	0.29	-
Deferred Tax Asset			
Loss as per Income Tax		(1.32)	1.32
Preliminary expense	0.02	0.09	-
Provision for Gratuity	0.01	0.08	-
Depreciation	0.05	1.24	-
Deferred Tax Asset (B)	0.08	0.08	1.32
Deferred Tax Liability	-	-	1.03
Depreciation			
Deferred Tax Liability (C)	-	-	1.03
Net Deferred Tax Asset for Current Year [A+B-C]	0.46	0.38	0.29

5. Details of Contingent Liability:

Particulars	As on June 30, 2009	As on March 31, 2009	As on March 31, 2008	As on March 31, 2007	As on March 31, 2006	As on March 31, 2005
Corporate Guarantee given by Company:						
To Subsidiaries	1,229.62	1,159.67	894.99	519.99	549.99	-
To Group Companies	63.79	70.36	114.68	-	-	-
To Others	387.20	315.69	-	-	-	-
Total	1,680.61	1,545.72	1,009.67	519.99	549.99	-

6. Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) Nil.
7. Details of employees in receipt of salary exceeding Rs. 24,00,000 for the year, if employed throughout the year or Rs. 2,00,000 per month if employed for part of the year is as under:

Name of the employee	Designation	Qualification	Remuneration (Rs.)	Date of Appointment
Anindya Mitra	Chief Financial Officer	MBA, CA, CPA	852,150/- *	01/04/2009

*Remuneration is for the period April 2009 to June 2009

8. The Company's business activities fall within a single segment, viz. Real Estate and Development and operate only in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.
9. In opinion of the management, current assets, loans & advances are approximately of the value stated, if realized in the ordinary course of business, and provision for all the known liabilities and doubtful assets have been made.
10. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest credited during the year has been set off against interest paid wherever there is a direct correlation.
11. Our erstwhile partnership firm Neptune Enterprises, now Neptune Ventures and Developers Pvt. Ltd., had revalued its residential project area constructed on plot bearing CTS no. 372, 372/1-65 of village Kanjur, L.B.S Marg Bhandup (W). M/s Ranade & Associates issued valuation certificate dated 24th April 2009 for Rs 350 million. The company has received Rs 193.67 million as its share in its erstwhile partnership firm in F.Y. 2008-09, on account of revaluation.
12. Balances under various heads viz., sundry creditors, deposits, loans and advances are subject to confirmation and reconciliation, if any. The management however does not expect any material variance.
13. The Company is under process of identifying the status of supplier covered under the Micro, Small And Medium Enterprise. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006, nor has it made any payments for the same and hence the detail of any amount unpaid to such supplier as at the end of accounting year is not available.

14. Previous year figures have been regrouped/ recasted wherever considered necessary to make them comparable with those of the current year.

C NOTES ON RESTATEMENT ADJUSTMENTS

Impact of changes in accounting policies and prior period adjustments

Rs. in Million						
Particulars	June, 2009	March, 2009	March, 2008	March, 2007	March, 2006	March, 2005
A) Net Profit / (Loss) after Tax as per audited financial statements	37.47	91.62	(2.65)	14.63	13.69	-
I) Prior Period adjustments						
Share of profit from Partnership firms previously reduced from Inventories. (Refer Note 2 below)	-	-	42.78	-	-	-
II) Provision for taxes (Refer Note 3 below)						
Effect of Firm Tax as per Schedule VI	-	38.64	-	2.39	-	-
Interest on Income Tax Refund	-	0.10	-	-	-	-
Total (a)	-	38.74	42.78	2.39	-	-
III) Provision for taxes (Refer Note 3 below)						
Provision for FBT (Neptune Developers, a partnership firm)	-	-	0.03	0.00	-	-
Provision for Income Tax (Neptune Enterprises, an erstwhile partnership firm)*	-	15.78	14.17	8.23	2.39	-
Provision for Income Tax (Neptune Developers, a partnership firm)	-	0.05	0.51	-	-	-
Provision for FBT (Neptune Enterprises, an erstwhile partnership firm)*	-	-	-	0.32	0.10	-
Total (b)	-	15.83	14.70	8.55	2.48	-
B) Total of Adjustments (a - b)	-	22.91	28.08	(6.16)	(2.48)	-
Net Profit / (Loss) after tax, as restated (A+B)	37.47	114.53	25.43	8.47	11.21	-

* Neptune Enterprises was subsequently converted into Part IX Company, known as Neptune Ventures and Developers Pvt. Ltd. w.e.f 15th January, 2009). The Company thus became a subsidiary of Neptune Developers Ltd from this date.

1. Prior period adjustments in respect of items of income and expenditure have been retrospectively adjusted in arriving at the profits of the years/period to which they relate although the event triggering the income or expense occurred in the subsequent years, as per SEBI Regulations.
2. The Opening and Closing inventory in the audited profit & loss account has been regrouped as “Increase/ Decrease in Inventories” in the restated financials Work in Progress of the financial year 2007-08 was understated to the extent of Rs. 42.78 million as the profit from the Partnership Firms (Neptune Developers and erstwhile Neptune Enterprises) for the year was reduced from the calculation of the Work in Progress. The effect thereof of Rs. 42.78 million has been adjusted to the summary statement of profit and losses for the year ended March 31, 2008 since it pertains to that year.
3. The effect of Firm Tax and Fringe Benefit Tax, has now been given the effect in the restated accounts, to comply with the schedule VI requirement and accounting policy similar to that of the Company, as the policy of provision for taxes was not applicable to partnership firms, Neptune Developers and erstwhile Neptune Enterprises.
4. The share of profit from partnership firms erstwhile Neptune Enterprises and Neptune Developers is shown net of tax while restating the accounts and accordingly the same is reflected in the investments.

NEPTUNE DEVELOPERS LIMITED

ANNEXURE XIV

**UNCONSOLIDATED DETAILS OF CONTINGENT LIABILITIES, AS
RESTATED**

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Corporate Guarantee given by Company						
To Subsidiaries	1,229.62	1,159.67	894.99	519.99	549.99	-
To Group Companies	63.79	70.36	114.68	-	-	-
To Others	387.20	315.69	-	-	-	-
Total	1,680.61	1,545.72	1,009.67	519.99	549.99	-

**NEPTUNE DEVELOPERS
LIMITED.**

ANNEXURE XV

UNCONSOLIDATED DETAILS OF RESERVE AND SURPLUS, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31 , 2009	As at March 31 , 2008	As at March 31 , 2007	As at March 31 , 2006	As at March 31 , 2005
Profit & Loss Account	197.15	159.68	45.15	19.68	11.21	-
Share Premium	1,889.90	1,889.90	59.40	59.40	59.40	-
Revaluation Reserve	193.67	193.67	-	-	-	-
(Refer note 12 of Annexure XIII (B))						
Reserves & Surplus	2,280.71	2,243.25	104.55	79.08	70.61	-
Less: Revaluation Reserve	(193.67)	(193.67)	-	-	-	-
(Refer note 12 of Annexure XIII (B))						
Reserves & Surplus (Net of Revaluation Reserve) Total	2,087.05	2,049.58	104.55	79.08	70.61	-

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XVI

UNCONSOLIDATED STATEMENT OF TAX SHELTERS, AS RESTATED

Rs. In Million

Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
Profit before Prior Period Adjustment, Extra ordinary Items & Tax, as restated	54.90	143.46	25.54	8.47	11.21	-
Normal Tax Rate (%)	33.99%	33.99%	33.99%	33.66%	33.66%	36.59%
MAT Tax Rate (%) (excl surcharge and cess)	10.00%	10.00%	10.00%	10.00%	7.50%	7.50%
Adjustments						
<u>Permanent Differences</u>						
-						
Fringe Benefit Tax	-	-	-	0.01	-	-
Donation	1.63	0.03	0.75	-	-	-
Share of Partnership Firm	(7.26)	(26.56)	(28.08)	(15.23)	(12.85)	-
Preoperative Expenses	-	-	-	-	1.14	-
Other Expenses Disallowed	-	2.29	0.04	5.19	0.25	-
Expenses u/s 40 (a)	0.01	-	-	-	-	-
Total (A)	(5.63)	(24.25)	(27.29)	(10.02)	(11.46)	-
<u>Timing Differences</u>						
Difference between Tax & Book Depreciation	0.17	4.01	(3.03)	-	-	-
Difference in Amortization of Preliminary Expenses	(0.08)	(0.30)	0.88	-	-	-
Gratuity Difference	-	0.24	-	-	-	-
Total (B)	0.17	4.25	(3.03)	-	-	-
Net Adjustments (A) + (B)	(5.46)	(19.99)	(30.32)	(10.02)	(11.46)	-
Gross Total Income	49.36	123.46	(4.78)	(1.55)	(0.25)	-
Previous year loss adjusted	-	(4.15)	-	-	-	-
Net Tax Payable (C)	16.78	40.45	-	-	-	-
Tax as per MAT (D)	5.49	15.92	-	-	-	-

Tax Payable higher of (C) or (D)	16.78	40.45	-	-	-	-
Total Tax (without interest)	16.78	40.45	-	-	-	-
Add :- Interest u/s 234 A/B/C	0.66	2.83	-	-	-	-
Total Tax ,						
Tax Provision	17.44	43.28	-	-	-	-
Tax Liability as per Original Return of Income	17.44	43.28	-	-	-	-
Note:						

- 1) Information pertaining to three months ended June 30, 2009 is based on the estimation of computation of income.
- 2) The above working is based on the Summary Statement of Profit and Loss, as Restated for the respective year/period.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XVII

UNCONSOLIDATED STATEMENT OF INVENTORIES, AS RESTATED

Rs. In Million

Particulars	For Three Months Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006	For the Period July 15, 2004 to March 31, 2005
Inventory						
Opening Inventory	1,230.86	827.90	-	-	-	-
Add: Expenditure						
Land Acquisition / Improvement Cost	0.20	338.54	784.23	-	-	-
Cost of Construction	6.94	16.12	2.73	-	-	-
Administrative, Selling & Other Expenses	14.61	30.01	19.36	1.25	0.02	-
Finance Expenses	2.47	2.45	19.61	5.19	0.25	-
Depreciation	3.80	15.84	3.60	-	-	-
Preliminary expenses written off	-	-	0.91	0.30	1.44	-
Less: Transferred to Profit & Loss Account	-	-	(2.54)	(6.75)	(1.71)	-
Less: Share of Profit	-	-	(42.78)	-	-	-
Closing Inventory	1,258.88	1,230.86	785.11	-	-	-
(Increase) / Decrease in Inventory	(28.02)	(402.96)	(785.11)	-	-	-
Adjustments on account of restatement (Refer Note C of Annexure XIII on Restatement Adjustments)	-	-	(42.78)	-	-	-
(Increase) / Decrease in Inventory as Restated	(28.02)	(402.96)	(827.90)	-	-	-
Inventories as Restated	1,258.88	1,230.86	827.90	-	-	-

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XVIII

UNCONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
<u>Authorised:</u>						
Equity Shares of Rs.10/- each	156.58	156.58	150.15	60.00	60.00	32.00
0% Fully Convertible Preference Shares of Rs.100/- each	209.85	209.85	209.85	300.00	300.00	160.00
0.0001% Compulsorily Convertible Preference Shares of Rs.10/- each	33.57	33.57	-	-	-	-
Unclassified Shares of Rs.10/- each	-	-	-	-	-	8.00
Total	400.00	400.00	360.00	360.00	360.00	200.00
<u>Issued, Subscribed and Paid Up Share Capital</u>						
Equity Share Capital						
Equity Shares of Rs.10/- each	147.38	147.38	126.75	36.60	36.60	0.10
Preference Share Capital						
0% Fully Convertible Preference Shares of Rs.100/- each	209.85	209.85	209.85	300.00	300.00	83.00
0.0001% Compulsorily Convertible Preference Shares of Rs.10/- each	33.57	33.57	-	-	-	-
Total	390.80	390.80	336.60	336.60	336.60	83.10

Notes:

1. At the Extra-Ordinary General Meeting of the shareholders held on 6th April, 2005, the unclassified authorised capital amounting to Rs. 8 million was reclassified as authorised Equity Capital.
2. At the Extra-Ordinary General Meeting of the shareholders held on 18th December, 2009, 33,56,725 (Thirty three lakhs fifty six thousand seven hundred twenty five) 0.0001% Compulsorily Convertible Preference shares of Rs. 10/- each was converted to 13,88,866 (Thirteen lakhs eighty eight thousand eight hundred sixty six) Equity shares of Rs. 10/- each at premium of Rs. 14.17/- per share.
3. At the Board meeting held on 26th September, 2009, share application money of Rs. 64.40 million was converted to 64,400 (Sixty Four thousand four hundred) Equity Shares of Rs. 10/- at a premium of Rs. 990/- per share.
4. At the Extra-Ordinary General Meeting of the shareholders held on 18th December, 2009, share application money of

Rs. 20 million was converted to 2,35,157 (Two lakhs thirty five thousand one hundred fifty seven) Equity shares of Rs. 10/- each at premium of Rs. 75.05/- per share. At the Board meeting held on 19th December, 2009, 2,35,157 Equity shares were allotted.

5. The unclassified Authorised Capital in F.Y 2004-05 has been classified as Equity Capital in F Y 2005-06.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XIX

UNCONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED-

Rs. In Million

Particulars	As at June 30, 2009			As at March 31 , 2009			As at March 31 , 2008		
	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net
-									
Plant & Machinery	11.62	1.88	9.73	10.72	1.55	9.17	7.05	0.42	6.63
Furniture & Fixtures	0.08	0.00	0.08	-	-	-	-	-	-
Vehicles	20.24	4.56	15.68	18.27	3.48	14.79	2.53	0.07	2.46
Computers	10.23	3.84	6.38	7.70	3.39	4.31	6.00	1.00	5.00
-									
Leasehold Premises	53.56	12.93	40.62	53.56	11.01	42.54	45.48	2.11	43.37
Total (A)	95.73	23.22	72.50	90.25	19.43	70.82	61.06	3.60	57.46
Capital Work in Progress	0.44	-	0.44	-	-	-	-	-	-
Total (B)	0.44	-	0.44	-	-	-	-	-	-
Grand Total (A+B)	96.17	23.22	72.94	90.25	19.43	70.82	61.06	3.60	57.46

Note:

In F.Y. 2004-05, 2005-06 and 2006-07 the Company had no fixed assets.

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

To
The Board of Directors,
Neptune Developers Limited,
Neptune House,
Karnbustamb,
Vikroli (East)
Mumbai – 400 083

Dear Sir,

We have examined the consolidated financial information of Neptune Developers Limited (the “Company”) and its subsidiaries (collectively referred to as the “Neptune Group”) for the purpose of inclusion in the Draft Red Herring Prospectus (the “DRHP”). This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Offer Document being issued by the Company in connection with the Initial Public Offering (“IPO”). This consolidated financial information has been prepared in accordance with the requirements of:

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”);
- (ii) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”).
- (iii) Accounting standard 21 (AS 21) “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

We have examined such financial information taking into consideration:

- i) The Guidance Note on the Reports in Company Prospectuses and the Guidance Note on Audit Reports/Certificates on Financial Information in Offer document issued by the Institute of Chartered Accountants of India (“ICAI”); and
- ii) The terms of our letter of engagement with the Company requesting us to carry out work in connection with the Offer Document being issued by the Company for its proposed issue.

1. Consolidated Financial Information as per Audited Financial Statements:

We have examined the attached “Consolidated Summary Statement of Assets and Liabilities, as Restated” of the Neptune Group as at March 31, 2007, 2008, 2009 and three months ended June 30, 2009 (Annexure I) and the attached “Consolidated Summary Statement of Profits and Losses, as Restated” for the years ended March 31, 2007, 2008, 2009 and three months ended June 30, 2009 (Annexure II), and Consolidated Statement of Cash flow, As Restated for the years ended March 31, 2007, 2008, 2009 and three months

ended June 30, 2009 (Annexure III) together referred to as “Consolidated Restated Summary Statements”. The Consolidated Restated Summary Statements, including the adjustments and regroupings which are more fully described in the note on adjustments appearing in Annexure XIV to this report have been extracted from the Consolidated Audited Financial Statements of the Company as at and for the years ended March 31, 2007, 2008, 2009 and three months ended June 30, 2009.

2. Based on our examination of these summary statements, we state that:

- a) the Restated Consolidated Statements have to be read in conjunction with the Statement of Significant Accounting Policies and Notes to accounts (Annexure XIV) to this report.
- b) the Consolidated Summary Statement of Profits and Losses, As Restated have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in (Annexure XIV) to this report;
- c) the impact of changes in accounting policies adopted by the Company and the Group as at and for year ended June 30, 2009 have been adjusted with retrospective effect in the attached Restated Consolidated Statements, wherever applicable.
- d) material amounts relating to previous years have been adjusted in the attached Restated Consolidated Statements;
- e) there are no extraordinary items which need to be disclosed separately in the attached Restated Consolidated Statements; and
- f) there are no qualifications in auditors’ report.

3. Consolidated Other Financial Information:

We have examined the following information in respect of the years ended March 31, 2007, 2008 , 2009 and three months ended June 30, 2009 of the Neptune Group, proposed to be included in the DRHP, as approved by the Board of Directors and annexed to this report:

- i. Consolidated Statement of Secured Loan, As Restated (Annexure IV)
- ii. Consolidated Statement of Unsecured Loan, As Restated (Annexure V)
- iii. Consolidated Statement of Investments, As Restated (Annexure VI);
- iv. Consolidated Statement of Sundry Debtors, As Restated (Annexure VII);
- v. Consolidated Statement of Loans and Advances, As Restated (Annexure VIII);
- vi. Consolidated Statement of Current Liabilities and Provisions, As Restated (Annexure IX);
- vii. Consolidated Statement of Other Income, As Restated (Annexure X);

- viii. Consolidated Capitalization Statement (Annexure XI);
 - ix. Consolidated Summary of Accounting Ratios, As Restated (Annexure XII);
 - x. Consolidated Statement of Related Party Transaction (Annexure XIII);
 - xi. Notes to the statement of assets and liabilities and profit and losses, As Restated (Annexure XIV)
 - xii. Consolidated Statement of Contingent Liability (Annexure XV)
 - xiii. Consolidated Statement of Reserves and Surplus, As Restated (Annexure XVI);
 - xiv. Consolidated Statement of Inventories, As Restated (Annexure XVII);
 - xv. Consolidated Statement of Share Capital, As Restated (Annexure XVIII);
 - xvi. Consolidated Statement of Fixed Assets, As Restated (Annexure XIX)
-
- 4. In our opinion, the “Consolidated Financial Information as per Audited Financial Statements” and “Consolidated Other Financial Information” mentioned above for the years ended March 31, 2007, 2008 , 2009 and three months ended June 30, 2009 have been prepared in accordance with Part II of Schedule II of the Act and SEBI Regulations.
 - 5. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should it be construed as a new opinion on any of the financial statements referred to therein.
 - 6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 - 7. 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 shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Shaparia & Mehta
Chartered Accountants

Sanjiv Mehta
Partner
Membership No. 34950
Mumbai
Date: December 24, 2009

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE I

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. In Million					
	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A)	FIXED ASSETS				
	Gross Block	131.09	124.58	95.52	26.54
	Less: Depreciation	38.65	33.80	14.18	6.18
	Net Block	92.45	90.77	81.34	20.36
	(A)	92.45	90.77	81.34	20.36
B)	INVESTMENTS	324.72	324.72	324.72	0.25
	(B)	324.72	324.72	324.72	0.25
C)	CURRENT ASSETS, LOANS AND ADVANCES				
	Inventories	5,862.17	5,583.42	5,211.55	2,570.48
	Sundry Debtors	23.17	26.73	0.80	0.92
	Cash and Bank Balances	149.31	81.15	50.91	236.59
	Loans and Advances	1,691.38	1,583.21	767.23	439.88
	(C)	7,726.02	7,274.51	6,030.49	3,247.87
D)	LIABILITES AND PROVISIONS				
	Secured Loans	1,720.54	1,561.75	905.21	567.04
	Unsecured Loans	1,475.85	1,401.83	1,446.12	270.21
	Advances & Deposits from customers	2,004.39	1,806.27	2,797.84	2,115.92
	Current Liabilities and Provisions	687.99	708.91	648.85	92.26
	(D)	5,888.78	5,478.76	5,798.02	3,045.43
E)	MINORITY INTEREST ASSET / (LIABILITY) (E)	274.35	275.59	245.91	202.31
F)	DEFERRED TAX ASSET / (LIABILITY) (F)	0.82	0.69	0.29	-
G)	NET WORTH (A+B+C-D+E+F)	2,529.58	2,487.53	884.74	425.37
	Represented by Share Capital	390.80	390.80	336.60	336.60
	Share Application Money	84.40	64.40	443.80	10.60

	Reserves and Surplus	2,054.38	2,032.32	104.34	79.08
	Miscellaneous Expenditure	-	-	-	(0.91)
	(to the extent not written off or adjusted)				
H)	NET WORTH	2,529.58	2,487.53	884.74	425.37

Note:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIV.
2. The company was not having any subsidiary during FY 2004-05 and FY 2005-06.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE II

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. In Million

	Particulars	For the Year Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
A	INCOME				
	Sales	5.67	1,720.61	1.48	4.06
	Total Operating Profit	5.67	1,720.61	1.48	4.06
	Other Income	16.53	46.88	2.55	0.46
	Total (A)	22.20	1,767.49	4.02	4.52
B	EXPENDITURE				
	Land Acquisition / Improvement Cost	0.20	655.38	1,065.15	179.02
	Cost of Construction	163.79	1,011.68	1,278.03	656.88
	(Increase) / Decrease in Inventory	(278.75)	(371.87)	(2,679.12)	(995.37)
	Administrative, Selling & Other Expenses	34.47	106.66	92.53	49.72
	Finance Expenses	54.10	181.64	206.42	75.94
	Depreciation	4.84	19.63	8.01	3.70
	Preliminary expenses written off	-	0.34	0.91	0.30
	Total (B)	(21.35)	1,603.47	(28.06)	(29.80)
	Net Profit Before Tax (A-B)	43.54	164.02	32.09	34.32
	Less : Taxation	(21.61)	(57.28)	-	-
	Less : Provision for Deferred Tax	0.13	0.39	0.29	-
	Less : Provision for Wealth Tax	(0.02)	(0.04)	-	-
	Less : Provision for Fringe Benefit Tax	-	(1.31)	(1.29)	-
	Less : Profit of the Firm distributed to the partners	-	-	-	-
	Less : Prior Period Adjustments	-	4.11	-	22.78

	Net Profit After Tax Before Minority Interest And Share Of Profit/(Loss) In Associates As Per Audited Financial Statement	22.05	109.89	31.09	57.10
	Less : Minority Interest	0.01	(8.25)	(21.96)	(12.61)
	Less : Loss of Associate	(0.00)	(0.11)	(0.21)	-
	Net Profit Before Extraordinary Items	22.06	101.50	8.92	44.49
	Less : Extraordinary Items	-	-	-	-
	Net Profit After Extraordinary Items As Per Audited Financial Statement	22.06	101.50	8.92	44.49
	Less : Adjustments made on account of Restatement (Refer Note 3 of Annexure XIV on Restatement Adjustments)	-	(4.01)	16.30	(36.02)
	Net Profit After Tax As Per Restated	22.06	97.49	25.22	8.47
	Profit and Loss account, beginning of the year	142.43	44.94	19.68	11.21
	Balance available for appropriations, as restated	164.48	142.43	44.94	19.68
	Transfer to General Reserve	-	-	-	-
	Dividend	-	-	-	-
	Tax on Dividend	-	-	-	-
	Balance carried forward to summary statement of Assets and Liabilities, as restated	164.48	142.43	44.94	19.68

Note:

1. The above should be read with Significant Accounting Policies and Notes to Accounts, as restated appearing in Annexure XIV.
2. The company was not having any subsidiary during FY 2004-05 and FY 2005-06.

NEPTUNE DEVELOPERS LIMITED

ANNEXURE III

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW, AS RESTATED

Rs. In Million				
Particulars	For the Quarter Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Cash Flows From Operating Activities				
Net Profit before taxation, and extraordinary items	43.54	164.08	74.84	36.71
Adjustment for:				
Depreciation	4.84	19.63	8.01	3.70
Deferred Tax	(0.13)	(0.40)	(0.29)	-
Interest on Capital in Partnership Firm	-	-	-	-
Preliminary expenses written off	-	0.34	0.91	0.30
Loss of Associates (not debited to P/L)	-	-	-	-
Other Income	(16.53)	(45.74)	(2.55)	(0.01)
Finance Expenses	54.10	181.64	206.42	75.94
Operating profit before working capital changes	85.82	319.56	287.34	116.64
(Increase)/Decrease in Sundry debtors	3.55	(25.93)	0.14	(0.92)
(Increase)/Decrease in Inventories	(278.75)	(371.87)	(2,641.07)	(2,570.48)
(Increase)/Decrease in Loans and advances	(108.16)	(815.98)	(327.37)	(439.88)
(Increase)/Decrease in Minority Interest	1.24	(29.68)	(43.59)	(202.31)
Increase/(Decrease) in Current liabilities	177.20	(931.51)	1,238.51	2,208.17
Cash generated from operations	(119.10)	(1,855.41)	(1,486.04)	(888.77)
Income tax paid	(21.48)	(66.59)	(49.62)	(28.24)
Preliminary expenses	-	(0.34)	-	(1.21)
Net Cash from operating activities (A)	(140.58)	(1,922.34)	(1,535.67)	(918.23)
Cash flow from Investing activities				
Net (Increase)/Decrease in Fixed Asset	(6.52)	(29.06)	(68.98)	(24.06)
Net (Increase)/Decrease in Investments	0.00	0.01	(324.47)	(0.25)
Interest Received / Dividend Received	16.53	45.74	2.55	0.01
Net Cash from investing activities (B)	10.02	16.68	(390.91)	(24.30)
Cash Flow From Financing Activities				
Proceeds from issue of share capital	-	54.20	-	336.60
Share Premium and Reserves	-	1,830.50	-	70.61
Share Application Money	20.00	(379.40)	433.20	10.60

Net increase in Long term borrowings	232.82	612.25	1,514.08	837.25
Finance Expenses	(54.10)	(181.64)	(206.42)	(75.94)
Net Cash from Financing activities (C)	198.72	1,935.91	1,740.86	1,179.12
Net increase in cash and cash equivalents (A+B+C)	68.16	30.24	(185.68)	236.59
Cash and cash equivalents at beginning of period	81.15	50.91	236.59	-
Cash and cash equivalents at the end of period	149.31	81.15	50.91	236.59

Note:

The cash flows Statements have been prepared under indirect method as set out in Accounting Standard -3 on Cash Flow Statement as issued by ICAI.

NEPTUNE DEVELOPERS LIMITED.

**ANNEXURE IV
CONSOLIDATED DETAILS OF SECURED LOANS, AS
RESTATED**

Rs. In Million					
	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A)	TERM LOAN:				
	i) Bank Of India	200.66	154.55	-	-
	(Secured against Mortgage of Land bearing Plot No F-3, admeasuring approx 21,209.25 sq. mtrs and Plot No: F-3/1 (Adm. Approx 9,578 sq. mtrs) at Road No.22 Waghle Industrial Estate Thane 400604 situated at limits of Panchpakhadi , Tal Thane , Registration Dist of Thane)				
	ii) Oriental Bank Of Commerce	46.49	46.46	-	-
	(Secured against Mortgage of Land bearing Plot No F-3, admeasuring approx 21,209.25 sq. mtrs and Plot No: F-3/1 (Adm. Approx 9,578 sq. mtrs) at Road No.22 Waghle Industrial Estate Thane 400604 situated at limits of Panchpakhadi , Tal Thane , Registration Dist of Thane)				
	iii) Punjab National Bank	140.05	114.69	-	-
	(Secured against Mortgage of Land bearing Plot No F-3, admeasuring approx 21,209.25 sq. mtrs and Plot No: F-3/1 (Adm. Approx 9,578 sq. mtrs) at Road No.22 Waghle Industrial Estate Thane 400604 situated at limits of Panchpakhadi , Tal Thane , Registration Dist of Thane)				
	iv) HUDCO	631.12	561.16	635.00	520.00
	(Secured against Mortgage of Land admeasuring 88,299.89 sq. mtrs bearing CTS No: 372 (1 art), 372/1 to 372/65 of Village Kanjur, Taluka Kurla, Mumbai Suburban District at Bhandup referred to as project)				
	v) Indian Bank	598.50	598.51	260.00	-
	(Secured against Mortgage of Land admeasuring 88,299.89 sq. mtrs bearing CTS No: 372 (1 art), 372/1 to 372/65 of Village Kanjur, Taluka Kurla, Mumbai Suburban District at Bhandup referred to as project)				
B)	WORKING CAPITAL LOAN (O/D)				
	i) Axis Bank Ltd.	49.90	49.90	-	-

	(Secured by pledge of Fixed Deposit with Bank)				
	ii) Indian Bank	34.34	17.92	-	-
	(Secured by pledge of Fixed Deposit with Bank)				
	iii) Shamrao Vitthal Bank co-op Bank ltd	-	-	-	40.43
	(Secured against Equitable Mortgage of land bearing Plot No: 527 Survey no. 1000 corresponding at CTS No 956,956/1 to 13, village Mulund, Taluka Kurla, admeasuring 2000 sq. yards and bearing BMC assessment No 1253 T-1255(2), T 1255 nad T 1254 situate at Netagi Subhash Road, Mulund (w) , Mumbai-80)				
C)	VEHICLE LOAN:	19.49	18.55	10.21	6.61
	Total	1,720.54	1,561.75	905.21	567.04

Note:

- 1.) Vehicle loans are secured against hypothecation of car, except in F.Y. 2005-06 where it is secured against third party guarantee.

Details of secured Loan as on 30th June, 2009					
Source	Rate of interest	Repayment Schedule	Security	Penal Interest & Liquidated damages & Prepayment Charges	Amount outstanding as on June 30, 2009 (In Million)
Bank of India	13% p.a	Repayment on Quarterly basis	Security 1.) Pari passu charge over the land situated at Thane owned jointly with M/s. Dosti Corporation (Business Park) and the building to be constructed thereon. 2.) Pari passu charge over the current assets (i.e. construction materials and receivables) of the M/s. Neptune Developers. 3.) Guarantee of M/s. Dosti Corporation (Business Park) who are joint owners of the land.	Penal Interest of 2% p.a, Prepayments charges @ 2%, Default in complying with terms of sanction will attract penal int @ 1%, Commitment charges @ 1%, penalty in submission of documents penalty @ 1%	Rs. 200.66 Million
Oriental Bank of Commerce	12.5% p.a	Repayment on Quarterly basis		Penal Interest of 2% p.a, prepayment charges @ 2%, Default in complying with terms of sanction will attract penal int @ 1%, Commitment charges @ 1%	Rs. 46.49 Million
Punjab National Bank	12.25% p.a	Repayment on Quarterly basis		Commitment charges of 1%	Rs. 140.05 Million

HUDCO	16% p.a	Repayment on Quarterly basis	<p>Security 1.) First charge by mortgage of project immovable properties viz. Project land, Buildings etc. 2.) First charge on moveable assets. 3.) First charge / hypothecation of all receivables of contracts, agreements, receivables of contracts, agreements, receivables and accounts related to the project. 4.) Assignments of project right title, contracts, novation of contracts, all license, permits, insurance policies, approvals, consent & concession in respect of project. 5.) Assignment of and/or charge on Escrow TRA account. Guarantee: 1.) Personal / corporate guarantees of Mr. Nayan Bheda, Sachin Deshmukh, Mr. Mahesh Shetty, Mr. Sunil Shah, Mr. Kanji Shah, MS. Neptune Developers Pvt Ltd. 2.) Pledge of 51% of equity shares of Neptune Developers Pvt Ltd.</p>		Rs. 631.12 Million
Indian Bank	13% p.a	Repayment on Quarterly basis	<p>Security 1.) Mortgage and charge in Consortium banks of the Commercial and Residential segments of the project of living point project, Bhandup Mumbai and stock pertaining to the project, both present and future on Paripassu basis. 2.) Paripassu charge / assignment in favour of the consortium of all operating cash flows, revenues / receivables from the project. Guarantee Personal / corporate guarantees of Mr. Nayan Bheda, Sachin Deshmukh, Mr. Mahesh Shetty, Mr. Sunil Shah, Mr. Kanji Shah, MS. Neptune Developers Pvt Ltd.</p>	Charges & penalties as per rule of banks applicable from time to time, Prepayment charges @ 2%	Rs. 598.50 Million

HDFC Bank		Repayment in monthly basis	Secure against Hyphothecation of car		0.48
HDFC Bank			Secure against Hyphothecation of car		4.17
HDFC Bank			Secure against Hyphothecation of car		1.75
HDFC Bank			Secure against Hyphothecation of car		1.14
HDFC Bank			Secure against Hyphothecation of car		0.73
Axis Bank Ltd		Reapayment in montly basis	Secure against Hyphothecation of car		1.70
Axis Bank Ltd			Secure against Hyphothecation of car		1.19
ICICI Bank Ltd.			Secure against Hyphothecation of car		7.64
ICICI Bank Ltd.			Secure against Hyphothecation of car		0.69
Axis Bank Ltd	13.55%		Pledge of Fixed Deposit of NEPL		13.50
Axis Bank Ltd	9.00%		Pledge of Fixed Deposit of NVDPL		36.40
Indian Bank	12.50%		Pledge of Fixed Deposit of NEPL		34.34

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE V

CONSOLIDATED DETAILS OF UNSECURED LOANS, AS RESTATED

Rs. In Million				
Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Loans From:				
<u>Directors</u>				
Kanji B. Shah	14.59	14.66	-	-
Sunil V. Sangoi	21.32	21.38	-	-
<u>Promoters</u>				
Nayan A. Bheda	-	-	-	5.45
Sachin M. Deshmukh	-	-	-	0.10
Nayan T. Shah	0.03	0.03	-	-
Subsidiary Companies	-	-	-	-
<u>Group Companies</u>				
MT Educare Pvt. Ltd.	17.50	-	-	10.00
Associate Companies	-	-	-	-
Individuals & Others	51.55	48.72	53.33	212.55
Other Corporate Bodies	1,370.87	1,317.04	1,392.79	42.11
Total	1,475.85	1,401.83	1,446.12	270.21

Note:

Loans from Directors, Promoters, Group Companies, Individuals & Others and Other Corporate Bodies are repayable on demand and there is no stipulation as to payment of interest.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE VI

CONSOLIDATED STATEMENTS OF INVESTMENTS, AS RESTATED

	Rs. In Million			
Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<u>Long Term (At Cost) (Unquoted) (Non Traded)</u>				
-				
<u>Fully paid Equity Shares</u>				
-				
The Shamrao Vithal Co-operative Bank Ltd.	0.05	0.05	0.05	0.05
(2000 Equity Shares of Rs. 25/- each)				
-				
<u>Investment in Shares of Associates</u>				
49,99,800 Class "B" Equity Shares of Rs. 11.6705/- each fully paid up in Neptune Enclave Pvt. Ltd. (Face value Rs.10/- including Investment cost)	58.96	58.96	58.97	-
9,800 Class "A" Equity Shares of Rs. 10/- each fully paid up in Neptune Realtors Pvt. Ltd.	-	-	-	0.10
10,000 Class "B" Equity Shares of Rs. 10/- each fully paid up in Neptune Realtors Pvt. Ltd.	-	-	-	0.10
<u>Debentures</u>				
11,48,000 (1,14,80,000) 14% Non Convertible Debentures of Rs. 10/- each				
Neptune Realtors Pvt.Ltd.	114.80	114.80	114.80	-
15,09,010 (15,09,010) 15.5% Optionally Convertible Debentures of Rs. 10/- each				
Neptune Enclave Pvt.Ltd.	150.90	150.90	150.90	-
TOTAL	324.72	324.72	324.72	0.25

Note:

- In case of investment in Class A & B Shares of Neptune Realtors Pvt. Ltd. (Associate), Neptune Developers Ltd share of loss exceeds the carrying amount of investment and hence investment is reported at Nil value as per para 18 of AS - 23 on "Accounting for investment in associate in CFS"

2. In case of investment in Class B Shares of Neptune Enclave Pvt. Ltd. (Associate), the carrying amount of investment is reduced by Neptune Developers Ltd share of loss as per para 18 of AS - 23 on "Accounting for investment in associate in CFS"

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE VII

CONSOLIDATED DETAILS OF SUNDRY DEBTORS, AS RESTATED

					Rs. In Million
	Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
A	Debts outstanding for a period exceeding six months				
	Debts due from persons related to directors / promoters / Issuer	-	-	0.10	-
	Other Debts	23.17	13.15	0.70	-
B	Debts outstanding for a period less than six months				
	Debts due from persons related to directors / promoters / Issuer	-	-	-	-
	Other Debts	-	13.57	-	0.92
	Total Debts	23.17	26.73	0.80	0.92
C	Considered good	23.17	26.73	0.80	0.92
	Considered doubtful	-	-	-	-
	Total Debts	23.17	26.73	0.80	0.92

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE VIII

CONSOLIDATED STATEMENT OF LOANS & ADVANCES, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<u>Loans to Associates</u>				
Neptune Enclave Pvt.Ltd.	15.35	0.35	3.40	-
Neptune Realtors Pvt.Ltd.	459.88	448.71	184.25	113.06
Loans to Subsidiaries	-	-	-	-
<u>Loans to Group Companies</u>				
Neptune Constructions	36.88	16.04	-	58.87
Neptune Developers & Constructions Pvt. Ltd.	121.11	113.90	120.17	-
Neptune Oil & Energy Ventures Pvt.Ltd.	2.64	2.64	1.13	-
Laxmi Corporation	91.05	95.45	30.00	-
<u>Loans to Promoter (Refer to note 6 below)</u>				
Maresh R. Shetty	21.22	21.22	-	-
Nayan T. Shah	-	-	1.66	1.66
Sachin M. Deshmukh	32.96	32.96	-	-
Nayan A.Bheda	41.16	41.16	-	-
Chetan Ashok Bheda	-	-	-	0.01
Loans to Body Corporate	116.00	50.00	-	-
Loan to Employees	1.20	0.56	1.15	2.56
Advance Tax and Tax deducted at source	89.49	78.40	48.71	17.66
Advances recoverable in cash or in kind or for value to be received	110.68	131.76	151.65	238.95
Deposits	15.82	15.14	18.30	5.94
Others Loans and advances to suppliers	535.92	534.92	206.81	1.16
Total	1,691.38	1,583.21	767.23	439.88

Notes:

1. The List of persons/ entities classified as "Promoters and Promoter Group" has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.
2. The figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company.
3. Loans to Subsidiaries, Associates, Group Companies and Body Corporate are repayable on demand and there is no stipulation as to interest.
4. No interest is charged on loans to employee. The repayment is by way of deduction from salary. The other terms of the loan repayment are as per mutual agreement with employees.
5. In March 2009 and June 2009 debit balance of promoters in capital & current account of Neptune Enterprises, has been transferred to Loans & Advances, consequent to conversion of Neptune Enterprises (Partnership firm) into Part IX Company Neptune Ventures & Developers Pvt. Ltd.

NEPTUNE DEVELOPERS LIMITED

ANNEXURE IX

CONSOLIDATED DETAILS OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Current Liabilities:				
Sundry Creditors – Materials	93.01	66.29	29.74	25.03
Sundry Creditors – Capital Items	2.62	2.50	1.16	-
Sundry Creditors – Construction Cost	313.19	369.65	483.39	31.79
Sundry Creditors – Expenses	24.20	48.12	11.20	1.21
Sundry Creditors – Retention	54.00	51.99	26.92	5.95
Provisions:				
Provision	137.67	113.69	43.46	15.95
Other Liabilities	63.30	56.67	52.97	12.33
Total	687.99	708.91	648.85	92.26

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE X

CONSOLIDATED STATEMENTS OF OTHER INCOME, AS RESTATED

						Rs. In Million
	Particulars	For the Quarter Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	Related / Incidental to Business Activity
A)	<u>Recurring</u>					
	Interest Income	15.95	46.29	-	0.40	Related
B)	<u>Non - Recurring</u>					
	Miscellaneous Income (Refer note 2 below)	0.57	0.58	-	0.05	Incidental
	Profit on slump sale	-	-	2.55	-	Incidental
	Dividend	0.01	0.01	0.00	0.01	Incidental
	Exchange Gain		-	-	-	-
	TOTAL	16.53	46.88	2.55	0.46	
	Adjustments on account of Restatement (Refer Note 3 of Annexure XIV on Restatement Adjustments)	-	0.10	-	-	Incidental
	TOTAL	16.53	46.98	2.55	0.46	-
	Net Profit Before Tax, as Restated	43.54	164.12	74.84	36.71	-
	% to Other Income	37.97%	28.63%	3.40%	1.26%	-

Notes:

1. The classification of "Other Income" as Recurring/ Non Recurring and Related / Incidental is based on the current operations and business activities of the Group as determined by the management.
2. In June 2009, Miscellaneous Income includes Rs. 0.10 million which is related to business activity.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE - XI

CAPITALIZATION STATEMENT, AS RESTATED

Rs. In Million

Particulars	Pre Issue as at June 30,2009	Pre Issue as at March 31, 2009	As Adjusted for Issue #
Debt			
Short Term Debt	1,558.22	1,467.61	
Long Term Debt	1,638.18	1,495.97	
Total Debt	3,196.40	2,963.58	
Shareholders Funds.			
Share Capital	390.80	390.80	
Minority Interest	(274.35)	(275.59)	
Share Application Money	84.40	64.40	
Reserves & Surplus			
Securities Premium	1,889.90	1,889.90	
Profit and loss account	164.48	142.43	
Total Share Holders Funds	2,255.23	2,211.93	
Short Term Debt Equity Ratio	0.69	0.66	
Long Term Debt Equity Ratio	0.73	0.68	
Total Debt Equity Ratio	1.42	1.34	

Notes:

1. The figures disclosed above are based on the restated summary statements of the Company for the respective year/period
2. Shareholders Funds include Share Application Money
3. Shareholders fund includes minority interest.

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XII

CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Rs. In Million except for per share

Sr. No.	Particulars	As at June 30, 2009	As at 31st, March 2009	As at 31st, March 2008	As at 31st, March 2007
A)	<u>Adjusted Profit To Income From Operations (%)</u>				
	Net Profit Before Tax, as restated	43.54	164.12	74.84	36.71
	Income From Operations, as restated	5.67	1,720.61	1.48	4.06
	Adjusted Profit To Income From Operations (%)	769%	10%	5064%	904%
B)	<u>Earning Per Share (EPS)</u>				
	Net profit after tax as attributable to ESH, as restated	22.06	97.49	25.22	8.47
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000
	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000
	Earning Per Share (EPS) (Rs)	1.50	6.73	6.75	2.31
C)	<u>Diluted EPS</u>				
	Net profit after tax as attributable to ESH, as restated	22.06	97.49	25.22	8.47
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000
	Weighted Average Number of Equity Shares Outstanding Post Dilution	105,243,433	103,194,394	4,488,944	12,685,600
	Diluted EPS (Rs)	0.21	0.94	5.62	0.67
D)	<u>Cash Earning Per Share</u>				
	Net profit after tax as attributable to ESH but before depreciation, as restated	26.90	117.12	33.23	12.17
	No. of Equity Shares	14,738,373	14,738,373	12,675,000	3,660,000
	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000
	Cash Earning Per Share (Rs)	1.83	8.09	8.90	3.32

E)	<u>Net Assets Value (NAV)</u>				
	Net Assets	2,319.73	2,277.68	674.89	125.37
	No. Of Equity Shares Post Dilution	105,243,433	105,008,277	13,429,848	12,685,600
	Weighted Average Number of Equity Shares Outstanding during the year	14,738,373	14,479,247	3,734,096	3,660,000
	NAV Per Share (Rs)	22.04	21.69	50.25	9.88
F)	<u>Return on Net Worth</u>				
	Net profit after tax, as restated	22.06	97.49	25.22	8.47
	Net Worth	2,529.58	2,487.53	884.74	425.37
	Return on Net Worth (%)	0.87%	3.92%	2.85%	1.99%

Definition of ratios:

7. The Ratios have been calculated as below:

$$\text{Adjusted Profit To Income From Operations (\%)} = \frac{\text{Net Profit Before Tax, as restated}}{\text{Income From Operations}} \times 100$$

$$\text{Earning Per Share (Rs)} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$$

$$\text{Diluted EPS} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Weighted Average Number of Equity Shares Post Dilution Outstanding}}$$

$$\text{Cash Earnings Per Share} = \frac{\text{Net Profit / (Loss) After Tax but before Depreciation}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$$

$$\text{Net Asset Value Per Share} = \frac{\text{Net Worth Excluding Revaluation Reserve, Preference Share Capital}}{\text{Number of Equity Shares Post Dilution}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit / (Loss) after tax, as restated}}{\text{Net Worth Excluding Revaluation Reserve}} \times 100$$

8. Earnings Per Share has been calculated in accordance with Accounting Standard 20 - Earnings Per Share issued by the Institute of Chartered Accountants of India.
9. Ratios have been computed on the basis of the restated summary statements for the respective years.
10. The potential dilution impact of Convertible Preference Shares, Bonus Shares and Share Application Money is considered as potential equity shares as under. The effect of bonus share has been considered for dilution for the financial years 2008-2009 and June 2009. The date of dilution of potential equity share is taken to have been issued on the first day of the financial year.

Type Of Potential Equity Share	As at June 30, 2009	As at 31st, March 2009	As at 31st, March 2008	As at 31st, March 2007
Compulsory Convertible Preference Shares	1,388,866	1,388,866	-	9,015,000
Share Application Money	2,417,341	64,400	754,848	10,600
Bonus Shares	88,816,638	88,816,638	-	-

11. Net Worth while calculating the Net Asset Value per share is calculated for Equity Shareholders only and therefore Preference Share Capital is excluded from the Net worth.
12. While calculating the Net Assets Value the total number of equity shares outstanding post dilution are considered.

NEPTUNE DEVELOPERS LTD.**ANNEXURE – XIII****CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS****(In compliance with Accounting Standard 18 – Related Party Discloser)**

D. List of related parties:

(As identified by the management)

i. Parties where control exist**Associates**

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007
1	Neptune Realtors Private Limited	Neptune Realtors Private Limited	Neptune Realtors Private Limited	Neptune Realtors Private Limited from 20/11/2006
2	Neptune Enclave Private Limited	Neptune Enclave Private Limited	Neptune Enclave Private Limited from 18/01/2008	-

Promoters group:

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007
1	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited	Neptune Developers & Constructions Private Limited from 14/12/2006
2	Neptune Enclave Private Limited	Neptune Enclave Private Limited	Neptune Enclave Private Limited from 18/01/2008	-
3	NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Private Limited)	NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Private Limited)	NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Private Limited)	NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Private Limited)
4	Neptune Oil & Energy Ventures Private Limited	Neptune Oil & Energy Ventures Private Limited from 28/03/2008	-	-
5	Prithviraj Shares and Securities Private Limited	Prithviraj Shares and Securities Private Limited from 24/04/2008	-	-
6	MT Educare Private Limited	MT Educare Private Limited	MT Educare Private Limited	MT Educare Private Limited
7	Neptune Constructions	Neptune Constructions	Neptune Constructions	Neptune Constructions upto 01/04/2006
8	-	Mahesh Tutorials Science Private Limited	-	-

9	-	Mahesh Tutorials Commerce Private Limited	-	-
10	Mahesh Tutorials Private Limited	Mahesh Tutorials Private Limited.	Mahesh Tutorials Private Limited.	Mahesh Tutorials Private Limited.
11	Laxmi Corporation	Laxmi Corporation	Laxmi Corporation	-
12	C.A Bheda & associates	C.A Bheda & associates	C.A Bheda & associates	C.A Bheda & associates

i. Key Management Personnel and their relatives:

Sr. No.	June, 2009	March, 2009	March, 2008	March, 2007
1	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda
2	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh	Mr. Sachin M. Deshmukh
3	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty	Mr. Mahesh Shetty
4	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah	Mr. Nayan Thakarshi. Shah
5	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda
6	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi	Mr. Animesh Dharamsi
7	Mrs. Ekta Nayan. Bheda	Mrs. Ekta Nayan. Bheda	Mrs. Ekta Nayan. Bheda	Mrs. Ekta Nayan. Bheda
8	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh	Mrs. Priyanka S. Deshmukh
9	Mrs. Roopa M Shetty	Mrs. Roopa M Shetty	Mrs. Roopa M Shetty	Mrs. Roopa M Shetty
10	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah	Mrs. Mili Nayan Shah
11	Mrs. Alka Chetan. Bheda	Mrs. Alka Chetan. Bheda	Mrs. Alka Chetan. Bheda	Mrs. Alka Chetan. Bheda
12	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi	Mrs. Anjali Animesh Dharamsi
13	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda
14	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh	Mr. Manohar N. Deshmukh
15	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty	Mr. Kalathur R. Shetty
16	Mr. Thakarshi M. Shah	Mr. Thakarshi M. Shah	Mr. Thakarshi M. Shah	Mr. Thakarshi M. Shah
17	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda	Mr. Ashok Kalyanji. Bheda
18	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi	Mr. Pratap H Dharamsi
19	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda
20	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh	Mrs. Snehalata M Deshmukh
21	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty	Mrs. Lalitha K .Shetty
22	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah	Mrs. Nirmala Thakarshi Shah
23	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda	Mrs. Padma Ashok. Bheda
24	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi	Mrs. Meera Pratap. Dharamsi
25	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda	Miss. Vruti .Nayan. Bheda
26	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh	Miss. Aishwarya S. Deshmukh
27	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty	Mr. Pritviraj M Shetty
28	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah	Miss. Kavya Nayan Shah
29	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda	Miss. Ria Chetan. Bheda
30	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi	Mr. Vedant Animesh Dharamsi
31	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda	Miss. Juhi .Nayan. Bheda
32	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh	Miss. Siddhi S. Deshmukh
33	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi	Miss. Mansi Animesh Dharamsi
34	Mr. Naman .Nayan. Bheda	Mr. Naman .Nayan. Bheda	-	-
35	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda	Mr. Chetan Ashok. Bheda
36	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh	Mr. Rajeshwar M Deshmukh
37	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda	Mr. Nayan Ashok. Bheda
38	Mrs. Urvi Jayesh. Momaya	Mrs. Urvi Jayesh. Momaya	Mrs. Urvi Jayesh. Momaya	Mrs. Urvi Jayesh. Momaya
39	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare	Mrs. Geeta Mangesh Titkare

40	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty	Mrs. Pramila Vishwanath Shetty
41	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia	Mrs. Surbhi Kiran Rambhia
42	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya	Mrs. Urvi Jayesh.Momaya
43	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani	Mrs. Neeta Nilesh Datani
44	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal	Mrs. Neeta Ramesh. Bhalmal
45	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota	Mrs. Bhakti Devang Mota
46	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani	Mr. Jyotindra M.Sanghani
47	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil	Mr. Chandrakant N Patil
48	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty	Mr. Narayan Poappa Shetty
49	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala	Mr. Manilal P. Gala
50	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani	Mr. Chhotalal Hirachand. Lakhani
51	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya	Mr. Piyush Chimanlal Momaya
52	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani	Mrs. Daksha J. Sanghani
53	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil	Mrs. Nalini Chandrakant Patil
54	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty	Mrs. Girija Narayan Shetty
55	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala	Mrs. Nirmala. Manilal.Gala
56	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani	Mrs. Bhanumati Chotalal Lakhani
57	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya	Mrs. Kalpana Chimanlal Momaya
58	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt	Mrs. Rachna Shaiesh Perinjatt
59	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke	Mrs. Sujatha. Arun .Sanke
60	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty	Mrs. Jyoti Vaju Shetty
61	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi	Mrs. Panna Amit Doshi
62	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand	Mrs. Hiral Rohit Dand
63	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty	Mrs. Aarti Sudhir Shetty
64	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah	Mrs. Sonal Yatin Shah
65	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri	Mrs. Dipali Himanshu Maesheri
66	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty	Miss. Nirmala Narayan Shetty
67	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani	Mr. Vishal J. Sanghani
68	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil	Mr. Tushar Chandrakant Patil
69	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala	Mr. Sachin Manilal Gala
70	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani	Mr. Hitesh Chhotalal. Lakhani
71	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala	Mr. Amit Manilal Gala
72	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani	Mr. Jatin Chhotalal. Lakhani
73	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala	Mr. Vinay Manilal Gala
74	Mr. Anindya Mitra			

ii. Transactions during the year (at arm's length) and Balance Outstanding as at the year end with related parties are as follows:

i) Associates

Particulars	Rs. In Million			
	June, 2009	March, 2009	March, 2008	March, 2007
1) Transactions during the year				
A. Income/Expense				
Income				
Interest received	42.37	45.73	18.76	-
Expense recoverable	0.23	1.79	1.28	0.02
Expenses				
	-	-	-	-
B. Finance	-	-	-	-
Loans taken	-	8.76	74.40	342.10
Loans given	18.36	270.17	262.05	455.10
Advances Recovered	0.13	2.85	0.10	0.02
Investments	-	0.10	211.69	0.20
2. Balance at the end of the year	-	-	-	-
Loans taken	-	-	-	-
Loans given	475.23	449.06	187.65	113.00
Investments	324.99	324.99	324.89	0.20
Advances recoverable	0.25	0.14	1.20	0.02
Interest accrued	37.12	32.60	14.51	-
	-	-	-	-

ii) Promoter Group

				Rs. In Million
Particulars	June, 2009	March, 2009	March, 2008	March, 2007
1) Transactions during the year	-	-	-	-
A. Income/Expense	-	-	-	-
Income	-	-	-	-
Expense recoverable	0.29	11.70	-	-
Expenses			-	-
Interest paid on loan	-	0.28	0.04	0.02
Other expense	0.33	1.81	0.67	0.67
B. Finance				
Loans taken	39.08	189.50	290.39	108.74
Loans given	45.22	266.63	382.85	146.93
Advances Recovered	(0.39)	1.40	0.02	-
2. Balance at the end of the year				
Loans taken	17.50	-	-	10.00
Loans given	251.68	228.04	151.30	58.87
Advances recoverable	0.99	0.31	(0.02)	-
Other Liability	0.49	0.49	10.37	0.40
Guarantee Given	63.79	70.36	114.68	-

iii) Key Management personnel and their relatives

Particulars	Rs. In Million			
	June, 2009	March, 2009	March, 2008	March, 2007
A. Expenses				
Interest on loan taken	0.10	0.64	1.07	0.18
Remuneration	0.71	5.35	4.50	4.20
Salary	2.38	5.40	4.70	3.30
B. Finance:				
Loans taken	10.00	94.88	9.16	17.35
Loans given	10.14	149.90	23.71	9.16
Capital Introduced	1.25	1.15	115.09	112.54
Capital Withdrawn	-	0.66	146.90	378.32
Issue of equity shares	-	0.05	90.15	6.60
Issue of Preference shares	-	-	59.85	150.00
C. Outstanding Balances:				
Loans taken	40.43	40.57	11.90	17.45
Loans given	95.34	95.34	11.66	2.66
Net Investment in Capital	(260.56)	(261.81)	26.85	(19.41)
Issue of equity shares	126.80	126.80	126.75	36.60
Issue of Preference shares	209.85	209.85	209.85	150.00

iii. Disclosure in respect of material transactions with parties:

i) Associates

Particulars	Rs. In Million			
	June, 2009	March, 2009	March, 2008	March, 2007
1) Transactions during the year				
A. Income/Expense				
Income				
Interest received				
Interest on Debenture - Neptune Enclave Pvt. Ltd	32.26	23.39	2.68	-
Interest on Debenture - Neptune Realtors Pvt. Ltd	-	-	16.07	-
Interest on Loan - Neptune Realtors Pvt. Ltd	10.11	22.34	-	-

	42.37	45.73	18.76	-
Expenses recoverable				
Neptune Enclave Pvt. Ltd.	0.03	0.45	0.87	-
Neptune Realtors Pvt. Ltd.	0.20	1.34	0.40	0.02
	0.23	1.79	1.28	0.02
B. Finance				
Loans taken				
Neptune Realtors Pvt. Ltd.	-	5.06	74.40	342.10
Neptune Enclave Pvt. Ltd.	-	3.70	-	-
	-	8.76	74.40	342.10
Loans given				
Neptune Realtors Pvt. Ltd.	3.36	269.52	258.65	455.10
Neptune Enclave Pvt. Ltd.	15.00	0.65	3.40	-
	18.36	270.17	262.05	455.10
Advances Recovered				
Neptune Realtors Pvt. Ltd.	0.13	1.54	0.10	0.02
Neptune Enclave Pvt. Ltd.	-	1.31	-	-
	0.13	2.85	0.10	0.02
Investment				
Neptune Realtors Pvt .Ltd. - Class 'A' Shares	-	0.10	-	0.10
Neptune Realtors Pvt .Ltd., - Class 'B' Shares	-	-	-	0.10
Neptune Enclave Pvt .Ltd. - Class 'B' Shares	-	-	58.99	-
Neptune Realtors Pvt .Ltd. - Debentures	-	-	1.80	-
Neptune Enclave Pvt .Ltd. - Debentures	-	-	150.90	-
	-	0.10	211.69	0.20
2. Balance at the end of the year				
Loans given				
Neptune Realtors Pvt. Ltd.	459.88	448.71	184.25	113.00
Neptune Enclave Pvt. Ltd.	15.35	0.35	3.40	-
	475.23	449.06	187.65	113.00
Advances recoverable				
Neptune Realtors Pvt. Ltd.	0.20	0.13	0.32	0.02

Neptune Enclave Pvt. Ltd.	0.05	0.02	0.87	-
	0.25	0.14	1.20	0.02
Investment	-	-	-	-
Neptune Realtors Pvt .Ltd. - Class 'A' Shares	0.20	0.20	0.10	0.10
Neptune Realtors Pvt .Ltd.. - Class 'B' Shares	0.10	0.10	0.10	0.10
Neptune Enclave Pvt. Ltd. - Class 'B' Shares	58.99	58.99	58.99	-
Neptune Realtors Pvt .Ltd.. - Debentures	114.80	114.80	114.80	-
Neptune Enclave Pvt .Ltd. - 15.5% Optionally convertible Debentures	150.90	150.90	150.90	-
	324.99	324.99	324.89	0.20
Interest accrued				
Neptune Enclave Pvt Ltd - Debenture	24.69	20.17	2.08	-
Neptune Realtors Pvt Ltd - Debenture	12.43	12.43	12.43	-
	37.12	32.60	14.51	-

ii) Promoter Group

Particulars	Rs. In Million			
	June, 2009	March, 2009	March, 2008	March, 2007
1) Transactions during the year				
A. Income/Expense				
Income				
Expenses recoverable				
Neptune Constructions	0.12	11.42	-	-
Neptune Developers & Constructions Pvt. Ltd.	0.17	0.29	-	-
	0.29	11.70	-	-
Expenses				
Interest paid				
Manohar Deshmukh (HUF)	-	0.00	0.04	0.02
Mahesh Tutorials Science Pvt. Ltd.	-	0.18	-	-
Mahesh Tutorials Commerce Pvt. Ltd.	-	0.10	-	-
	-	0.28	0.04	0.02
	-	-	-	-
Other expense	-	-	-	-
Professional Fees - C.A Bheda & associates	0.33	1.31	0.67	0.67
Sponsorship expense - Mahesh Tutorial commerce Pvt.Ltd	-	0.50	-	-

	0.33	1.81	0.67	0.67
B. Finance				
Loans taken				
Neptune Constructions	0.08	84.91	221.94	81.34
Neptune Developers & Constructions Pvt. Ltd.	2.50	17.07	50.48	-
Laxmi Corporation	9.00	36.46	13.50	-
Mahesh Tutorials Science Pvt. Ltd.	-	32.00	-	-
Manohar Deshmukh (HUF)	-	-	-	0.40
MT Educare Pvt. Ltd	27.50	-	-	10.00
Mahesh Tutorials Pvt. Ltd.	-	-	1.97	12.50
Mahesh Tutorials Commerce Pvt. Ltd.	-	18.00	-	-
NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Pvt. Ltd.)	-	-	2.50	4.50
Neptune Oil & Energy Ventures Pvt. Ltd.	-	1.05	-	-
	39.08	189.50	290.39	108.74
Loans given				
Neptune Constructions	20.92	100.96	153.09	129.93
Neptune Developers & Constructions Pvt. Ltd.	9.71	10.80	170.66	-
Laxmi Corporation	4.60	101.91	43.50	-
Mahesh Tutorials Science Pvt. Ltd.	-	32.00	-	-
MT Educare Pvt. Ltd	10.00	-	10.00	-
Mahesh Tutorials Pvt. Ltd.	-	-	1.97	12.50
Mahesh Tutorials Commerce Pvt. Ltd.	-	18.00	-	-
Manohar Deshmukh (HUF)	-	0.40	-	-
NMS Holdings Private Limited (Formerly Known as Thakkar Capital Services Pvt. Ltd.)	-	-	2.50	4.50
Neptune Oil & Energy Ventures Pvt. Ltd.	-	2.56	1.13	-
	45.22	266.63	382.85	146.93
Advances recovered				
Neptune Constructions	(0.39)	1.16	-	-
Neptune Developers & Constructions Pvt. Ltd.	-	0.24	0.02	-
	(0.39)	1.40	0.02	-
2. Balance at the end of the year				
Loans taken				
MT Educare Pvt. Ltd.	17.50	-	-	10.00
	17.50	-	-	10.00
Loans given				

Neptune Constructions	36.88	16.04	-	58.87
Laxmi Corporation	91.05	95.45	30.00	-
Neptune Developers & Constructions Pvt. Ltd.	121.11	113.90	120.17	-
Neptune Oil & Energy Ventures Pvt. Ltd.	2.64	2.64	1.13	-
	251.68	228.04	151.30	58.87
Advances recoverable				
Neptune Constructions	0.80	0.29	-	-
Neptune Developers & Constructions Pvt. Ltd.	0.20	0.03	(0.02)	-
	0.99	0.31	(0.02)	-
Other Liability	-	-	-	-
Mahesh Tutorials Commerce Pvt. Ltd.	0.49	0.49	-	-
Neptune Constructions	-	-	9.97	-
Manohar Deshmukh (HUF)	-	-	0.40	0.40
	0.49	0.49	10.37	0.40

iii) Key Management Personnel and their relatives

Rs. In Million				
Particulars	June, 2009	March, 2009	March, 2008	March, 2007
A. Expenses				
Interest Paid				
Manohar Deshmukh	-	0.00	0.01	0.00
Snehalata Deshmukh	0.10	0.64	1.06	0.18
	0.10	0.64	1.07	0.18
Remuneration				
Kanji B. Shah	0.23	0.25	0.30	0.30
Mahesh R. Shetty	-	0.60	0.60	1.20
Nayan A. Bheda	0.15	2.00	1.50	1.20
Sunil V. Shah	0.18	0.50	0.60	0.30
Sachin Deshmukh	0.15	2.00	1.50	1.20
	0.71	5.35	4.50	4.20
Salary				
Nayan Bheda	0.18	0.72	0.30	-

Sachin Deshmukh	0.18	0.72	0.30	-
Nayan Shah	0.45	1.50	0.50	-
Nenshi B Shah	0.38	1.50	1.50	1.50
Kiran Sangoi	0.24	0.96	1.50	1.50
Alka Bheda	0.11	-	0.30	0.30
Mili Shah	-	-	0.30	-
Anindya Mitra	0.85	-	-	-
	2.38	5.40	4.70	3.30
B. Finance				
Loans taken				
Nayan Shah	-	1.73	-	3.30
Kanji B. Shah	-	14.81	-	-
Manohar Deshmukh	-	-	3.91	0.10
Sachin M. Deshmukh	-	19.07	-	-
Alka Bheda	-	-	0.15	0.15
Chetan Bheda	-	-	4.10	1.00
Kiran Sangoi	-	-	1.00	-
Mahesh R. Shetty	10.00	13.02	-	-
Nayan A. Bheda	-	24.27	-	1.00
Snehalata Deshmukh	-	-	-	11.80
Sunil V.Sangoi	-	22.00	-	-
	10.00	94.88	9.16	17.35
Loans given				
Nayan Shah	-	0.04	-	4.96
Kanji B. Shah	0.08	0.15	-	-
Mahesh R. Shetty	10.00	24.23	10.00	-
Nayan A. Bheda	-	65.43	5.45	0.05
Sachin M. Deshmukh	-	52.03	0.10	-
Alka Bheda	-	-	0.15	0.15
Chetan Bheda	-	-	4.10	1.00
Kiran Sangoi	-	-	-	1.00
Manohar Deshmukh	-	0.10	3.91	-
Snehalata Deshmukh	-	7.30	-	2.00
Sunil V.Sangoi	0.06	0.62	-	-
	10.14	149.90	23.71	9.16
Capital Introduced				
Mahesh R. Shetty	-	-	14.34	27.60

Nayan A. Bheda	-	0.97	59.26	33.27
Sachin M. Deshmukh	1.25	0.17	7.30	31.50
Kanji B Shah	-	-	16.95	10.08
Sunil V Sangoi	-	-	17.25	10.08
	1.25	1.15	115.09	112.54
Capital Withdrawn				
Mahesh R. Shetty	-	0.10	20.80	51.76
Nayan A. Bheda	-	0.20	83.80	159.51
Sachin M. Deshmukh	-	0.35	39.50	151.77
Kanji B Shah	-	-	0.90	11.39
Sunil V.Sangoi	-	-	1.90	3.89
	-	0.66	146.90	378.32
Issue of equity shares				
Nayan Bheda	-	0.00	40.70	-
Sachin Deshmukh	-	0.00	34.36	-
Nayan Shah	-	0.00	15.09	6.60
Kanji Bhanji Shah	-	0.02	-	-
Sunil Sangoi	-	0.02	-	-
Mahesh Shetty	-	0.00	-	-
	-	0.05	90.15	6.60
Issue of Preference shares				
Nayan Bheda	-	-	43.35	78.90
Sachin Deshmukh	-	-	16.50	71.10
	-	-	59.85	150.00
(B) Balance at the end of the year				
Loans taken				
Kanji Bhanji Shah	14.59	14.66	-	-
Sunil Sangoi	21.32	21.38	-	-
Nayan Shah	0.03	0.03	-	-
Nayan Bheda	-	-	-	5.45
Sachin M. Deshmukh	-	-	-	0.10
Snehalata Deshmukh	4.50	4.50	11.80	11.80
Manohar Deshmukh	-	-	0.10	0.10
	40.43	40.57	11.90	17.45
Loans given				
Nayan Shah	-	-	1.66	1.66
Sachin M. Deshmukh	32.96	32.96	-	-

Mahesh Shetty	21.22	21.22	10.00	-
Nayan Bheda	41.16	41.16	-	-
Kiran Sangoi	-	-	-	1.00
	95.34	95.34	11.66	2.66
Net Investment in Capital				
Mahesh R. Shetty	(8.74)	(8.74)	(13.29)	(6.83)
Nayan A. Bheda	(144.06)	(144.06)	15.89	(19.07)
Sachin M. Deshmukh	(107.76)	(109.01)	(24.86)	(11.24)
Kanji B Shah	-	-	21.16	5.11
Sunil V.Sangoi	-	-	27.96	12.61
	(260.56)	(261.81)	26.85	(19.41)
Issue of equity shares				
Nayan Bheda	50.70	50.70	50.70	10.00
Sachin Deshmukh	44.36	44.36	44.36	10.00
Nayan Shah	21.69	21.69	21.69	6.60
Kanji Bhanji Shah	0.02	0.02	-	-
Sunil Sangoi	0.02	0.02	-	-
Mahesh Shetty	10.00	10.00	10.00	10.00
	126.80	126.80	126.75	36.60
Issue of Preference shares				
Nayan Bheda	122.25	122.25	122.25	78.90
Sachin Deshmukh	87.60	87.60	87.60	71.10
	209.85	209.85	209.85	150.00

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XIV

STATEMENT OF CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

1. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements are prepared under historical cost conventions and on an accrual basis of accounting, in accordance with Indian GAAP and the relevant provisions of the Companies Act, 1956, including the applicable Accounting Standards.

The financial statements of the Company, subsidiaries have been consolidated in accordance with Accounting Standard 21 (AS 21) issued by Institute of Chartered Accountants of India (ICAI), and using uniform accounting policies for similar transactions and other events in similar circumstances to the extent wherever practicable. The consolidated financial statements have been prepared on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.

Any excess of the cost to the Company of its investment in the subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognized in the financial statements as "Goodwill on Consolidation" and carried forward in the accounts. Goodwill is not amortized, however, it is tested for impairment at each balance sheet date and any impairment, if applicable, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of cost of investment of our Company, it is recognized as "Capital Reserve on Consolidation" The net amount of Capital Reserve after setoff of the Goodwill amount is presented under "Reserve and Surplus".

Minority interest in the net assets of the consolidated subsidiaries consists of:

- A. The amount of equity attributable to minorities as of the date on which the investment in a subsidiary is made and

The minority interest is attributable to net debit balance in partner's capital/current account and its share in net profit/loss for the year is presented separately from the liabilities or assets and the equity of the parent shareholders in the Consolidated Balance Sheet.

In the case of its associates, where the Company, either directly or indirectly through its subsidiaries, holds more than 20% of the equity, investments in such associates are accounted for using the equity method in accordance with Accounting Standard 23. Accordingly:

- a. The Company accounts for its share in the change in the net assets of the associates, through its profit and loss account to the extent such change is attributable to the associate's profit and loss account and through its reserves for the balance.
- b. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of share in the associates is, included in the carrying amount of investment in the associates, identified as "Goodwill" or "Capital Reserves" as the case may be and so disclosed.

2. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

3. Fixed Assets [In Compliance with AS 10 – Accounting for 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.

4. Depreciation [In Compliance with AS 6 – Depreciation Accounting]

Depreciation on assets is provided using written down value method at the rates prescribed under schedule XIV of the companies Act, 1956.

5. Impairment of Assets [In Compliance with AS 28 – Impairment of Assets]

The Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

6. Investments [In Compliance with AS 13 – Accounting for Investment]

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost.

7. Revenue Recognition [In Compliance with AS 9 – Revenue Recognition]

Revenue from Construction Activity

Revenue from sale of finished properties / buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer.

Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 35% of the total work involved.

Revenue from work completed beyond 35% is not recognized in cases where the property has been decided to be given on lease by the management.

Determination of revenue under percentage of completion method necessarily involves making estimates by management for percentage of completion, cost to completion, projected profits or foreseeable loss. These estimates have been relied upon by the auditors.

Income from Partnership firms

Share of Profit/loss and interest on capital from Partnership firms is taken into consideration on the basis of the audited accounts.

Income from Leased premises

Income from providing facilities/ lease of premises is accrued over the period mentioned in the facility/ leaves and license agreement.

Interest Income

Interest on deployment of surplus fund is recognized using time proportion method based on underlying interest rate.

8. Inventories

Work in progress

Direct expenditure relating to construction activity is inventorised. Cost is determined by including cost of land, material, services, interest on borrowings (directly attributable to the project) and other related overheads. Cost incurred/building materials purchased specifically for the projects are taken as fully consumed as and when incurred/received and are added to the cost of Work in Progress.

Finished Goods

Completed unsold inventory is valued at lower of cost or net realizable value.

Land

Land pertaining to property development is valued at cost. Advances paid by the Company to the seller/intermediary toward outright purchase of land are recognized as advance for land under loans and advances. On obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, land is transferred to Work in Progress.

9. Borrowing Cost [In Compliance with AS 16 – Borrowing Cost]

Borrowing costs that are directly attributable to long term project development activities are capitalized as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs are capitalized as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress.

10. Lease Rentals [In Compliance with AS 19 – Leases]

The Company has taken office premises under renewable operating lease agreement. Operating lease payments are recognized as an expense in the Profit & Loss account on a monthly accrual basis as per the agreements.

11. Employee Benefits [In Compliance with AS 15 – Employee Benefits]

The Company has made Provision for Gratuity after considering 10% growth in salary and 7.5% in Interest rates in case of Company where number of employees is less than 50 and in Company where number of employees exceeds 50 the Company has provided for Gratuity on the basis of actuarial valuer certificate, as per Accounting Standard (AS) 15. However no provision has been done for Gratuity in case of Partnership Firm. No formal retirement policy exists in the Company.

In a financial year, the employees are allowed, 21 days paid leave. Any unavailed leave is allowed to be carried forward to next two financial year. Newly joined employees are allowed paid leave on pro-rata basis. Any unavailed leave as per Company's policy is not encashable, therefore leave entitlement is not provided.

12. Earnings Per Share [In Compliance with AS 20 – Earning Per Share]

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to Equity shareholders by the total number of Equity Shares outstanding during the period.

13. Segment Reporting [In Compliance with AS 17 – Segment Reporting]

The Company's business activities fall within a single segment, viz. Real Estate and Development and predominantly operate in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.

14. Income Taxes

Tax expense comprises of current tax, deferred tax, wealth tax and fringe benefit tax. Deferred tax are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, (AS 22) issued by the Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Provision for wealth tax is made on the basis of value of movable assets after reducing, outstanding debt liabilities against that wealth, in accordance with the Wealth Tax Act, 1957. Fringe benefit tax is recognized in accordance with the relevant provisions of Income Tax Act, 1961 and the Guidance Note on Fringe Benefit Tax issued by the ICAI.

15. Provisions, Contingent Liabilities and Contingent Assets [In Compliance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets]

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

16. Miscellaneous Expenditure

Miscellaneous expenditure is fully written off in the books in accordance with AS –26 issued by Institute of Chartered Accountants of India. Hence in accordance with paragraph 56 of AS – 26, it has been fully expensed off. Since such miscellaneous expenditure is incurred prior to commencement of business, it qualifies as an expenditure u/s 35D of the Income Tax Act. However, the expenditure will be allowed over a period of five years – 1/5th every year

4. NOTES TO CONSOLIDATED ACCOUNTS, RESTATED

NEPTUNE DEVELOPERS LIMITED. is a company originally incorporated as Neptune Developers Private Ltd. on 15th July 2004. It was converted from Private Limited Company to Public Limited Company effective 12th November 2009. The Company is engaged in Real Estate Development and Construction Business. The restated accounts have been prepared in accordance with Part II of Schedule II of the Companies Act and the SEBI Regulations to meet its requirement. The consolidated restatement accounts has been prepared in accordance with of principles of consolidation as per AS 21 issued by ICAI after incorporating accounts of subsidiary companies/ firms and accounts of associates have been consolidated as per the principles laid down in AS23 issued by ICAI as under;

Sr. No	Name of Company / Entity	Proportion of ownership interest as on June 30, 2009	Proportion of ownership interest as on March 31, 2009	Proportion of ownership interest as on March 31, 2008	Proportion of ownership interest as on March 31, 2007	Date of obtaining controlling interest.
	Subsidiaries					
1	Deshmukh Projects Developers Pvt. Ltd.	99.99%	99.99%	-	-	19 th June, 2008
2	Juhi Realtors Pvt. Ltd.	99.99%	99.99%	-	-	19 th June, 2008
3	Kavya Realtors Pvt. Ltd.	99.99%	99.99%	-	-	19 th June, 2008
4	Neptune Homes Pvt. Ltd.	98.00%	98.00%	-	-	25 th April, 2008
5	Neptune Housing And Realty Pvt. Ltd.	98.00%	98.00%	-	-	25 th April, 2008
6	Neptune Realtors & Developers Pvt. Ltd.	98.00%	98.00%	-	-	25 th April, 2008
7	Neptune Residency Pvt. Ltd.	98.00%	98.00%	-	-	30 th April, 2008
8	Neptune Realty And Property Management Pvt. Ltd.	98.00%	98.00%	-	-	25 th April, 2008
9	Neptune Ventures & Developers Pvt. Ltd. (NVDPL)	95.47%	95.47%			15 th January, 2009

	Partnership Firms					
10	Erstwhile Neptune Enterprises (Converted into Part IX Company NVDPL w.e.f 15 th January 2009)	-	-	54.70%	54.70%	19 th May, 2006
11	Neptune Developers	91.00%	91.00%	91.00%	91.00%	18 th March, 2006
	Associate Concerns					
12	Neptune Realtors Pvt. Ltd.	37.25%	37.25%	28.28%	28.28%	16 th March, 2007
13	Neptune Enclave Pvt. Ltd.	20.00%	20.00%	20.00%	-	18 th March, 2008

1. All above subsidiaries, associates and partnership firms are incorporated / established in India.
2. The Company w.e.f 19th May 2006 increased its share to 54.7% partner in the erstwhile partnership firm Neptune Enterprises. However, accounts for the same have been consolidated from period starting 1st April, 2006. Neptune Enterprises was subsequently converted into Part IX Company, known as Neptune Ventures and Developers Pvt. Ltd. w.e.f 15th January 2009. The Company thus became a subsidiary of Neptune Developers Ltd from this date.
3. The Company w.e.f 18th March 2006 became a 91% partner in the partnership firm Neptune Developers. However accounts for the same have been consolidated from 1st April, 2006.
4. Juhi Realtors Pvt. Ltd. was incorporated on 15th November 2007 as a promoter group company and became a subsidiary of Neptune Developers Ltd. on 19th June 2008.
5. Deshmukh Projects Developers Pvt. Ltd. was incorporated on 26th February 2008 as a promoter group company and became a subsidiary of Neptune Developers Ltd. on 19th June 2008.
6. Kavya Realtors Pvt. Ltd. was incorporated on 28th March 2008 as a promoter group company and became a subsidiary of Neptune Developers Ltd. on 19th June 2008.
7. In Financial year 2007-08, Neptune Developers (a partnership firm) had sold its Mulund Property Undertaking to Neptune Developers & Constructions Pvt. Ltd., a Group Company. This transfer of business was by Slump Sale and has been treated as Capital Gains by the firm.
8. In Financial year 2008-09, Neptune Enterprises (an erstwhile partnership firm) had revalued its residential project area constructed on plot bearing CTS no. 372, 372/1-65 of village Kanjur, L.B.S Marg Bhandup (W). M/s Ranade & Associates issued valuation certificate dated 24th April 2009 for Rs 350 million. On consolidation Rs. 160.4 million being other partners' share is grouped under the loans & advances schedule.
9. There is a pre acquisition loss in Juhi Realtors Pvt. Ltd. which became our subsidiary w.e.f 19th June 2008, of Rs. 37,465. This amount not being material, on consolidation, the same has been considered as revenue item and not dealt with as reduction in investment in holding companies.
10. The Company has equity investment in subsidiaries aggregating to Rs.1.74 million and loans and advances in certain subsidiary aggregating to Rs. 1,836.46 million as at June 30, 2009. All these subsidiaries have incurred losses during the year. These subsidiaries are in the business of real estate development and are developing various projects which are long term and which besides achieving higher profitability on completion also have current market value. Accordingly, in the opinion of the Company, no provision is considered necessary towards diminution in the value of investments, if any, in such subsidiaries and in respect of loans and advances in such subsidiaries, which are considered good and fully recoverable.
11. The Company has equity investments in associate aggregating to Rs. 59.28 million, investment in debenture in associates aggregating to Rs. 265.70 million and loans and advances aggregating to Rs. 475.23 million as at June 30, 2009. Some of the entities stated above have incurred losses during the year. In the opinion of the management, all such entities are in the process of developing real estate projects and are at the initial stages of implementation. The Company expects these entities to be profitable on implementation and completion of the projects, which are long term.
12. The Company has given interest free loans/advances, outstanding and aggregating to Rs. 288.72 million as at June 30, 2009 to certain parties and is in the process of preparation of Memorandum of Understanding (MOU)/ agreement in respect of the same. Certain advances are unconfirmed as on the balance sheet date. In the opinion of the management, such loans which are given for the purposes of business opportunity even-

though unconfirmed or subject to entering into MOU/agreement are fully recoverable and considered good at this stage.

13. Details of Contingent Liability:

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Corporate Guarantee given by Company:				
To Subsidiaries	1,229.62	1,159.67	894.99	519.99
To Group Companies	63.79	70.36	114.68	
To Others	387.20	315.69		
Total	1,680.61	1,545.72	1,009.67	519.99

14. In opinion of the management, current assets, loans & advances are approximately of the value stated, if realized in the ordinary course of business, and provision for all the known liabilities have been made.
15. The Company's business activities fall within a single segment, viz. Real Estate and Development and operate only in domestic market. Accordingly, disclosure requirements under Accounting Standard (AS) 17 Segment Reporting, is not applicable.
16. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest credited during the year has been set off against interest paid wherever there is a direct correlation.
17. Balances under various heads viz., sundry debtors, sundry creditors, deposits, loans and advances are subject to confirmation and reconciliation, if any. The management however does not expect any material variance.
18. Previous year figures have been regrouped/ recasted wherever considered necessary to make them comparable with those of the current year.

5. NOTES ON RESTATEMENT ADJUSTMENTS:

Impact of changes in accounting policies and prior period adjustments:

Rs. In Million				
Particulars	June, 2009	March, 2009	March, 2008	March, 2007
Net Profit / (Loss) after Tax as per audited financial statements	22.05	109.86	31.09	57.10
Less : Minority Interest	0.01	(8.25)	(21.96)	(12.61)
Less : Loss in Associate	-	(0.11)	(0.21)	-
A) Net Profit / (Loss) after Tax and Minority Interest and Loss of associate as per audited financial statements	22.06	101.50	8.92	44.49
I) Prior Period adjustments				
Share of profit from Partnership firms previously reduced from Inventories.(Refer Note (2) below)	-	-	42.78	-
Expense (FBT) charged to profit & loss account previously added to inventory (Refer Note (3) below)	-	0.03	-	-
II) Provision for taxes (Refer Note 4 below)				
Effect of Firm Tax as per Schedule VI	-	38.64	-	2.39
Interest on Income Tax Refund	-	0.10	-	-
Total (a)	-	38.77	42.78	2.39
III) Prior period Adjustment				
Share of profit from Partnership firms previously reduced from Inventories.(Refer Note (2) below)	-	42.78	-	-
Expense (FBT) charged to profit & loss account previously added to inventory (Refer Note (3) below)	-	-	0.03	-
Income relating to prior years on account of IT Raid Neptune Enterprises, an erstwhile partnership firm)*	-	-	-	22.78
IV) Provision for taxes (Refer Note 4 below)				
Provision for Income Tax (Neptune Enterprises, an erstwhile partnership firm)*	-	-	25.90	15.05
Provision for Income Tax (Neptune Developers, a partnership firm)	-	-	0.56	-
Provision for FBT (Neptune Enterprises, an erstwhile partnership firm NE)*	-	-	-	0.58
Total (b)	-	42.78	26.48	38.40
B) Total of Adjustments (a-b)	-	(4.01)	16.30	(36.02)
Net Profit / (Loss) after tax, as restated (A+B)	22.06	97.49	25.22	8.47

*Neptune Enterprises was subsequently converted into Part IX Company, known as Neptune Ventures and Developers Pvt. Ltd. w.e.f 15th January 2009). The Company thus became a subsidiary of Neptune Developers Ltd from this date.

Notes to Restatement Adjustments

1. Prior period adjustments in respect of items of income and expenditure have been retrospectively adjusted in arriving at the profits of the years/period to which they relate although the event triggering the income or expense occurred in the subsequent years, as per SEBI Regulations.
2. The Opening and Closing inventory in the audited profit & loss account has been regrouped as “Increase/ Decrease in Inventories” in the restated financials. The inventory comprises of Work in Progress (the unfinished construction work), TDR stock and the finished flats and finished commercial premises. Work in Progress of the financial year 2007-08 was understated to the extent of Rs.42.78 million as the profit from the Partnership Firms Neptune Developers & Neptune Enterprise for the year was reduced from the calculation of the Work in Progress. The effect thereof of Rs. 42.78 million has been adjusted to the summary statement of profit and losses for the year ended March 31, 2008 since it pertains to that year.
3. In financial year 2007-08 of Neptune Developers, a partnership firm, FBT was added to closing Work In Progress, which was rectified in audited financials in financial year 2008-09.
4. The effect of Firm Tax and Fringe Benefit Tax, has now been given the effect in the restated accounts, to comply with the schedule VI requirement and accounting policy similar to that of the Company, as the policy of provision for taxes was not applicable to partnership firms, Neptune Developers and erstwhile Neptune Enterprises. While restating the financials of the Partnership firms, the profits for the year have been adjusted for tax payable for that period and provision for taxes is shown under current liability. Taxes paid by the partnership firm which were initially debited to partner’s current account have been shown as current asset. While restating the financials, the profits of the subsidiary partnership firms have been shown net of firm tax.

NEPTUNE DEVELOPERS LIMITED.**ANNEXURE XV****CONSOLIDATED DETAILS OF CONTINGENT LIABILITIES, AS RESTATED****Rs. In Million**

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Corporate Guarantee given by Company				
To Subsidiaries	1,229.62	1,159.67	894.99	519.99
To Group Companies	63.79	70.36	114.68	-
To Others	387.20	315.69	-	-
Total	1,680.61	1,545.72	1,009.67	519.99

NEPTUNE DEVELOPERS LIMITED

ANNEXURE XVI

CONSOLIDATED DETAILS OF RESERVE AND SURPLUS, AS RESTATED

Rs. In Million

Particulars	As at June 30, 2009	As at March 31 , 2009	As at March 31 , 2008	As at March 31 , 2007
Profit & Loss Account	164.48	142.43	44.94	19.68
Share Premium	1,889.90	1,889.90	59.40	59.40
Total	2,054.38	2,032.32	104.34	79.08

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XVII

CONSOLIDATED STATEMENT OF INVENTORIES, AS RESTATED

Rs. In Million				
Particulars	For the Quarter Ended June 30, 2009	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007
Inventories				
Opening Inventories	5,583.42	5,211.55	2,489.67	1,575.90
Add: Expenditure				
Land Acquisition / Improvement Cost	0.20	655.38	1,065.15	179.02
Cost of Construction	163.79	1,011.68	1,278.03	656.88
Administrative, Selling & Other Expenses	34.47	106.66	92.53	49.72
Finance Expenses	85.68	252.15	206.42	75.94
Depreciation	4.84	19.63	8.01	3.70
Preliminary expenses written off	-	0.34	0.91	0.30
Profit recognised during the year	12.09	-	78.80	45.77
Less: Transferred to Profit & Loss Account	(22.32)	(1,673.98)	(7.98)	(13.58)
Less: Share of Profit	-	-	(42.78)	-
Less: Other Adjustments	-	-	-	(2.39)
Closing Inventory	5,862.17	5,583.42	5,168.77	2,571.27
(Increase) / Decrease in Inventory	(278.75)	(371.87)	(2,679.09)	(995.37)
Adjustments on account of restatement (Refer Note 3 of Annexure XIV on Restatement Adjustments)	-	-	(42.78)	0.79
(Increase) / Decrease in Inventory as Restated	(278.75)	(371.87)	(2,721.88)	(994.58)
Inventories as Restated	5,862.17	5,583.42	5,211.55	2,570.48

NEPTUNE DEVELOPERS LIMITED.

ANNEXURE XVIII

CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED

	Rs. In Million			
Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
<u>Authorised:</u>				
Equity Shares of Rs.10/- each	156.58	156.58	150.15	60.00
0% Fully Convertible Preference Shares of Rs.100/- each	209.85	209.85	209.85	300.00
0.0001% Compulsorily Convertible Preference Shares of Rs.10/- each	33.57	33.57	-	-
Total	400.00	400.00	360.00	360.00
<u>Issued, Subscribed and Paid Up Share Capital</u>				
Equity Share Capital				
Equity Shares of Rs.10/- each	147.38	147.38	126.75	36.60
Preference Share Capital				
0% Fully Convertible Preference Shares of Rs.100/- each	209.85	209.85	209.85	300.00
0.0001% Compulsorily Convertible Preference Shares of Rs.10/- each	33.57	33.57	-	-
Total	390.80	390.80	336.60	336.60

Notes:

1. At the Extra-Ordinary General Meeting of the shareholders held on 6th April, 2005, the unclassified authorised capital amounting to Rs. 8 million was reclassified as authorised Equity Capital.
2. At the Extra-Ordinary General Meeting of the shareholders held on 18th December, 2009, 33,56,725 (Thirty three lakhs fifty six thousand seven hundred twenty five) 0.0001% Compulsorily Convertible Preference shares of Rs. 10/- each was converted to 13,88,866 (Thirteen lakhs eighty eight thousand eight hundred sixty six) Equity shares of Rs. 10/- each at premium of Rs. 14.17/- per share.
3. At the Board meeting held on 26th September, 2009, share application money of Rs. 64.40 million was converted to 64,400 (Sixty Four thousand four hundred) Equity Shares of Rs. 10/- at a premium of Rs. 990/- per share.
4. At the Extra-Ordinary General Meeting of the shareholders held on 18th December, 2009, share application money of Rs. 20 million was converted to 2,35,157 (Two lakhs thirty five thousand one hundred fifty seven) Equity shares of Rs. 10/- each at premium of Rs. 75.05/- per share. At the Board meeting held on 19th December, 2009, 2,35,157 Equity shares were allotted.

NEPTUNE DEVELOPERS LIMITED

CONSOLIDATED STATEMENT OF FIXED ASSETS, AS RESTATED

ANNEXURE XIX

Rs. In Million

Particulars	As at June 30, 2009			As at March 31 , 2009			As at March 31 , 2008			As at March 31 , 2007		
	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net	Gross	Depreciation	Net
Plant & Machinery	24.58	7.08	17.51	23.46	6.46	16.99	19.99	3.98	16.02	10.08	2.08	8.00
Furniture & Fixtures	3.34	1.06	2.29	2.89	0.95	1.94	2.73	0.71	2.02	2.60	0.49	2.12
Vehicles	35.65	10.62	25.03	33.67	8.89	24.78	17.93	3.49	14.44	10.67	1.45	9.22
Computers	13.52	6.96	6.56	11.00	6.48	4.52	9.39	3.89	5.50	3.19	2.16	1.03
-												
Leasehold Premises	53.56	12.93	40.62	53.56	11.01	42.54	45.48	2.11	43.37	-	-	-
Total (A)	130.65	38.65	92.01	124.58	33.80	90.77	95.52	14.18	81.34	26.54	6.18	20.36
Capital Work in Progress	0.44	-	0.44	-	-	-	-	-	-	-	-	-
Total (B)	0.44	-	0.44	-	-	-	-	-	-	-	-	-
Grand Total (A+B)	131.09	38.65	92.45	124.58	33.80	90.77	95.52	14.18	81.34	26.54	6.18	20.36

Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements

The following discussion is based on and should be read in conjunction with our restated unconsolidated and consolidated financial statements, as of and for the fiscal years March 31, 2009, 2008, 2007 and for the three-month period ended June 30, 2009, together with the related notes thereto and other financial information, which are included beginning on page F-1 of this Draft Red Herring Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and other sections of this document, particularly in the sections titled "Risk Factors" and "Business" beginning on pages xiii and 74 of this Draft Red Herring Prospectus. Our consolidated financial statements have been presented in Indian Rupees and prepared in accordance with Indian GAAP for all periods presented. Indian GAAP differs in certain material respects from U.S. GAAP. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our fiscal year ended March 31 of such year. In this section, any reference to "we", "us" or "our" refers to Neptune Developers Limited on a consolidated basis.

Overview

We are a first generation Indian real estate development company. We started our operations in 2004 and in a period of five years have created a diversified portfolio of real estate development projects mainly in MMR. Our projects are at different stages of development and completion and include residential, retail, commercial and IT/ITES properties. Our investors include IndiaREIT Enterprise Holdings Limited, Mauritius IndiaREIT Fund Scheme – I & III and India Basket Limited, Cyprus (promoted by REAL IS, a part of the German Sparkassenfinanzgruppe).

As at November 30, 2009, we had three Completed Projects with a total Developable Area of 1,437,235.17 sq. ft. and a total Saleable Area of 14,47,436.98 sq. ft. In addition, we had seven Ongoing Projects with a total Developable Area of 8,511,996.39 sq. ft and a total Saleable Area of 6,450,696.07 sq. ft., eight Forthcoming Projects with a total Developable Area of 26,714,266.72 sq. ft. and a total Saleable Area of 24,955,105.56 sq. ft. and one Proposed Project with a Developable Area of 765,964.49 sq. ft. and a Saleable Area of 765,964.49 sq. ft. As at November 30, 2009, approximately 62.08% of our projects in terms of total Developable Area were located in the MMR and 46.03% of our projects were residential developments.

We develop residential projects, which range from high end to affordable and low cost categories and which are targeted at and sold to high, middle and low income customers. Our affordable and low cost housing is developed under our "Swarajya" brand.

Our key projects are:

- Neptune Evolution Park in Kurla, MMR, an Ongoing commercial project, with energy saving features, centralized air conditioning, eco-friendly and handicap friendly design. It has been designed by Foster + Partners, London and targeted at Indian and International corporate occupiers.
- Magnet Mall in Bhandup, MMR, an Ongoing retail project designed by Forrec, Canada. Part of the completed portion of this project is occupied by Metro Cash & Carry, a German retail company with presence in 30 countries and stores at 544 locations. (source: www.metro.co.in/metroCCInternational/mCCinternational.asp or www.metro.co.in)
- Neptune Living Point in Bhandup, MMR, a Completed residential project which was designed by Forrec, Canada offering 2-3 BHK residential flats in six towers of 22 storeys each.
- Neptune Swarajya in Ambivali, Kalyan, MMR, an Ongoing residential project in the affordable housing sector offering 1-2 BHK residential flats priced at less than Rs. 1 million each.

We aim to acquire and develop land that we believe has locational advantages and is reasonably priced. In developing our properties we place an emphasis on architecture, infrastructure, raw materials and facilities and seek to apply aesthetic design techniques and to make the optimum use of available space. We seek to work with international and local architects to create a blend of international as well as Indian architecture. In the past we have engaged international architect firms such as Foster + Partners of London, Forrec of Canada, and Amatrix of Hong Kong, and local firms, such as Kiran Kapadia, Vijay Punjabi and Qutub Mandviwala.

We also benefit from our promoters' experience in the real estate sector. Mr. Nayan Bheda, Mr. Nayan Shah and Mr. Sachin Deshmukh, three of our promoters, together with our Chief Financial Officer, have an average experience of 12 years in the

real estate business. We benefit from their knowledge of the opportunities in real estate development coupled with their capabilities in various aspects of real estate development from identification and acquisition of land, planning, execution and marketing and maintenance and management of our completed developments.

Our total income on a consolidated basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.20 million, Rs. 1,767.49 million, Rs. 4.02 million and Rs. 4.52 million, respectively, and our profit after tax for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 22.06 million, Rs. 97.49 million, Rs. 25.22 million and Rs. 8.47 million, respectively. Our total income on a standalone basis for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 54.90 million, Rs. 159.19 million, Rs. 42.78 million and Rs. 23.77 million, respectively, and our profit after tax for the three months ended June 30, 2009 and for the financial years ended March 31, 2009, 2008 and 2007 was Rs. 37.47 million, Rs. 114.53 million, Rs. 25.43 million and Rs. 8.47 million, respectively.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with Indian GAAP. Our significant accounting policies are set forth in the notes to our consolidated financial statements included in the Auditors' report beginning on page F-1 of this Draft Red Herring Prospectus. Indian GAAP requires that we adopt accounting policies and make estimates that our directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect our reported financial results. The preparation of our financial statements requires us to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Principles of Consolidation

The consolidated financial statements of our Company are prepared under historical cost conventions and on an accrual basis of accounting, in accordance with Indian GAAP and the relevant provisions and applicable accounting standards of the Companies Act, 1956.

The financial statements of our Company and our subsidiaries have been consolidated in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India, and using uniform accounting policies for similar transactions and other events in similar circumstances to the extent wherever practicable. The consolidated financial statements have been prepared on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions

Any excess of the cost to our Company of our investment in our subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognized in the financial statements as "Goodwill on Consolidation" and carried forward in the accounts. Goodwill is not amortized, however, it is tested for impairment at each balance sheet date and any impairment, if applicable, is provided for. Alternatively, where the share of the equity in the subsidiaries as on the date of investments is in excess of our cost of investment, it is recognized as "Capital Reserve on Consolidation" The net amount of Capital Reserve after setoff of the Goodwill amount is presented under "Reserve and Surplus"

In the case of our associates, where our Company, either directly or indirectly through our subsidiaries, holds more than 20% of the equity, investments in such associates are accounted for using the equity method in accordance with Accounting Standard 23 issued by Institute of Chartered Accountants of India. Accordingly:

a. Our Company accounts for its share in the change in the net assets of the associates, through its profit and loss account to the extent such change is attributable to the associate's profit and loss account and through its reserves for the balance.

b. The difference between the cost of investment in the associates and the share of net assets at the time of our acquisition of our investment in the associates is, included in the carrying amount of investment in the associates, identified as "Goodwill" or "Capital Reserves" as the case may be and so disclosed.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

Revenue Recognition

- Revenue from construction activity. Revenue from sale of finished properties/ buildings is recognized on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Revenue from sale of incomplete properties is recognized on the basis of percentage of completion method, determined on the basis of physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project, only after the work has progressed to the extent of 35% of the total work involved. Revenue from work completed beyond 35% is not recognized in cases where the property has been decided to be given on lease by the management.

Determination of revenue under percentage of completion method necessarily involves making estimates by management for percentage of completion, cost to completion, projected profits or foreseeable loss. These estimates have been relied upon by the auditors.

- Income from partnership firms. Share of Profit/loss and interest on capital from partnership firms is taken into consideration on the basis of the audited accounts.
- Income from leased premises. Income from providing facilities/lease of premises is accrued over the period mentioned in the facility/ leaves and license agreement.
- Interest income. Interest on deployment of surplus fund is recognized using time proportion method based on underlying interest rate.

Borrowing Cost

Borrowing costs that are directly attributable to long term project development activities are capitalized as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs are capitalized as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost consists the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation on assets is provided using written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956.

Impairment of Assets

Our management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when the recoverable amount of the asset is lower than the carrying amount.

Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost.

Lease Rentals

The Company has taken office premises under renewable operating lease agreement. Operating lease payments are recognized as an expense in the profit and loss account on a monthly accrual basis as per the agreements.

Income Taxes

Tax expense consists of current tax, deferred tax, wealth tax and fringe benefit tax. Deferred tax are accounted for in accordance with Accounting Standard 22 issued by Institute of Chartered Accountants of India. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized. Provision for wealth tax is made on the basis of value of movable assets after reducing, outstanding debt liabilities against that wealth, in accordance with the Wealth Tax Act, 1957. Fringe benefit tax is recognized in accordance with the relevant provisions of Income Tax Act, 1961 and the Guidance Note on Fringe Benefit Tax issued by the ICAI.

Segment Reporting

The Company's business activities fall within a single segment - Real Estate and Development - and predominantly operate in domestic market. Accordingly, disclosure requirements under Accounting Standard 17 issued by Institute of Chartered Accountants of India, is not applicable.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Miscellaneous Expenditure

Miscellaneous expenditure is fully written off in the books in accordance with Accounting Standard 26 issued by Institute of Chartered Accountants of India. Hence in accordance with paragraph 56 of Accounting Standard 26, it has been fully expensed off. Since such miscellaneous expenditure is incurred prior to commencement of business, it qualifies as an expenditure under Section 35D of the Income Tax Act. However, the expenditure will be allowed over a period of five years at 20% per year.

Inventories

- Work in progress. Direct expenditure relating to construction activity is inventorised. Cost is determined by including cost of land, material, services, interest on borrowings (directly attributable to the project) and other related overheads. Cost incurred/building materials purchased specifically for the projects are taken as fully consumed as and when incurred/received and are added to the cost of work in progress.
- Finished Goods. Completed unsold inventory is valued at lower of cost or net realizable value.
- Land. Land pertaining to property development is valued at cost. Advances paid by the Company to the seller/intermediary toward outright purchase of land are recognized as advance for land under loans and advances. On obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, land is transferred to work in progress.

Employee Benefits

- The Company has made Provision for Gratuity after considering 10% growth in salary and 7.5% in Interest rates in case of Company where number of employees is less than 50 and in Company where number of employees exceeds

50 the Company has provided for Gratuity on the basis of actuarial valuer certificate, as per Accounting Standard 15 issued by Institute of Chartered Accountants of India. However no provision has been for Gratuity in case of Partnership Firm. No formal retirement policy exists.

- In a financial year, the employees are allowed, 21 days paid leave. Any unavailed leave is allowed to be carried forward to next two financial year. Newly joined employees are allowed paid leave on pro-rata basis. Any unavailed leave as per Company's policy is not encashable, therefore leave entitlement is not provided.

Minority Interest

Minority interest in the net assets of the consolidated subsidiaries consists of:

- the amount of equity attributable to minorities as of the date on which the investment in a subsidiary is made, and
- the minority interest attributable to net debit balance in partner's capital/current account and its share in net profit/loss for the year is presented separately from the liabilities or assets and the equity of the parent shareholders in the consolidated balance sheet.

The economic interest of controlling shareholders/partners is consolidated. However the economic interest by way of profits, losses and other interest including capital attributable and belonging to minority shareholders are included as minority interest.

Principal Factors Affecting Our Results of Operations

Our results of operations have been, and will continue to be, affected by a number of 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 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.

Sales, Revenue Recognition and Rate of Progress of Construction and Development

Our revenue depends significantly on our income from sales of completed properties and revenue recognized from sales of incomplete properties, based on the percentage of completion method. These in turn depend on the rates of progress of construction and development of our properties. Our sales also 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 as well as on the willingness of customers to pay for developments or enter into sale agreements.

Such construction progress depends on various factors, including the availability of labour and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions.

Revenue from the sale of completed properties is recognized following the transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of incomplete properties is recognized on the basis of the percentage of completion method by reference to the physical proportion of the work completed, as certified by the Company's technical personnel, in relation to a contract or a group of contracts within a project. Revenue will only be recognised under the percentage of completion method once the work in relation to a particular contract or group of contracts has progressed to the extent of 35% of the total work involved. 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.

In addition to income from sales, we expect to receive lease income, consisting of income from rental to third parties of certain of our commercial real estate projects 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 and on our construction progress.

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. The acquisition cost 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 elements of our project cost. Any government regulations that restrict the acquisition of land or increased competition for land may therefore adversely affect our operations.

We sometimes acquire the right to develop properties through collaboration with other entities, which own the land. In such projects, we are given the right to construct and develop the property and the land owner is 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 upfront costs of acquiring the land and, as such, also reduces our financing costs, though it does require us to share revenues generated or Developable Area developed from such developments with the land owners. For such projects, we generally incur all of the construction and development costs. If we are unable to find such land owning entities with which to collaborate this could restrict the amount of land which we are able to develop and, therefore, could adversely affect our operations.

Construction Costs

Our cost of construction consists of direct expenses like raw material costs, labour charges, professional fees of architects and site consultants and engineering fees, site development expenses, excavation expenses and other costs directly attributable to the construction of our projects. Raw material prices, particularly those of cement and steel, can be volatile and are subject to factors affecting the Indian and international commodity markets. We outsource construction activities to sub-contractors, but we procure, or arrange the procurement through third parties, basic construction materials for our projects and are therefore subject to increases in construction costs due to increased raw material costs. Additionally, the timing and quality of construction of the projects we develop depend on the availability and skill of our sub-contractors and consultants, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts.

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 (source: RBI). The RBI reverse repo rate was 4.75% and 3.25% as of June 30, 2009 and October 30, 2009, respectively (Source: RBI). In the year ended March 31, 2009, the global liquidity crisis severely affected the availability of debt financing internationally and in India.

Borrowings are an important means of financing our real estate projects. As of June 30, 2009, we had outstanding secured and unsecured loans of Rs. 3,196.40 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 and from other sources.

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. One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. The interest rates at which our

real estate customers may borrow funds for the purchase of our properties affect the affordability of, and hence the market demand for our real estate developments.

Competition

The real estate development market in India, while fragmented, is highly competitive. We face competition from regional and national property development companies like DB Realty, Lodha Developers, Sunil Mantri, HDIL, Mahindra Lifespaces, Kumar Builders, Nitesh Estates and other developers in areas in which our projects are located. Our developments typically face competition from other similar properties in their immediate vicinity as well as properties in other geographical regions. The principal competitive factors affecting our developments generally include the product type, product mix, design structuring of the projects, the location of the properties, the marketing strategies, pricing scheme adopted by the developers, and the timing of the launch of the property projects. In the residential sector brand will also be important – some purchasers will like and therefore follow the work of a particular developer. The level of competition is also affected by, among other factors, changes in local, regional or global economic conditions, the supply and demand of the properties, the economic viability of tenants and changes in consumer patterns and preferences.

Regulatory Framework

The real estate sector in India is highly regulated. Regulations applicable to our operations include standards regarding land acquisition, the ratio of built-up area to land area, the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditional upon, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Approvals must be obtained at both the national and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business, including the relative time and cost involved in procuring approvals for each new project, which can vary from project to project.

General Economic, Income and Demographic Conditions in India

We derive substantially all of our revenue from our real estate activities in India. Accordingly, we are heavily dependent on the state of the Indian real estate sector and of the Indian economy in general. The Indian economy grew at a rate of nearly 9.0% in each of fiscal years 2007 and 2008, and at 6.7% in fiscal year 2009 (source: IBEF), making it one of the fastest growing economies in the world. As demand for new residential and commercial properties is driven by increased employment and increasing disposable 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 caused a fall in demand which in turn led to a slowdown in the pace of construction activity and a reduction in the market price of real estate, the availability of funds, interest rates, rental rates for projects and the standard of living. We expect our results of operations to continue to vary from period to period in accordance with fluctuations in the Indian economy and the Indian real estate market.

Ability to Complete Construction of our Projects on Schedule

We rely upon third-party contractors for the construction of our projects. Any significant delay in our construction schedule could result in additional funding requirements, delayed revenue recognition, cost overruns, increased debt service obligations and additional financing and operating covenants that would adversely affect our operations, cash flows and profitability.

Tax Benefits in India with Regard to Real Estate Development

Based on current Indian tax laws and regulations, construction activity and industry are eligible for certain special tax benefits. Relevant tax benefits are described in the section titled "**Statement of Tax Benefits**" beginning on page 59 of this Draft Red Herring Prospectus. In the event that 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, the effective tax rates payable by us may increase and consequently our after tax profitability 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 cannot be assured, and their non-renewal or elimination may adversely affect our business.

For further details, see the sections titled "**Risk Factors**" and "**Business**" beginning on pages xiii and 74, respectively, of this Draft Red Herring Prospectus.

Key Components of Our Income Statement

Income

Our income consists of (a) income from sales and (b) other income. Our total income is broken down as follows:

INCOME	For the three month period ended June 30, 2009		For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007	
	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income	Rs. Millions	% of Total Income
Sales	5.67	25.52%	1,720.61	97.35%	1.48	36.72%	4.06	89.80%
Other income	16.53	74.48%	46.88	2.65%	2.55	63.28%	0.46	10.20%
Total income	22.20	100.00%	1767.49	100.00%	4.03	100.00%	4.52	100.00%

Our income from sales consists of income from the sales of (i) residential properties, and (ii) retail, commercial and IT properties. Set forth below is a breakdown of our income from sales for the periods indicated.

SALES	For the three month period ended June 30, 2009		For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007	
	Rs. Millions	% of Total Sales	Rs. Millions	% of Total Sales	Rs. Millions	% of Total Sales	Rs. Millions	% of Total Sales
Residential	5.67	100.00%	818.80	47.59%	1.48	100.00%	4.06	100.00%
Commercial	-	-	901.81	52.41%	-	-	-	-
Total Sales	5.67	100.00%	1720.61	100.00%	1.48	100.00%	4.06	100.00%

Other Income

Other income consists primarily of interest received on (i) debentures, (ii) loans given, and (iii) fixed deposits in banks.

Expenditure

The following table shows our expenditure for the past three financial years and the three-month period ended June 30, 2009.

Particulars	For the three month period ended June 30, 2009		For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007	
	Rs. Millions	% of Expenditure during the Quarter	Rs. Millions	% of Expenditure during the year	Rs. Millions	% of Expenditure during the year	Rs. Millions	% of Expenditure during the year
EXPENDITURE								
Land Acquisition / Improvement Cost	0.20	0.08%	655.38	33.18%	1,065.15	40.18%	179.02	18.54%
Cost of Construction	163.79	63.63%	1,011.68	51.22%	1,278.03	48.21%	656.88	68.03%
Administrative, Selling & Other Expenses	34.47	13.39%	106.66	5.40%	92.53	3.49%	49.72	5.15%
Finance Expenses	54.10	21.02%	181.64	9.20%	206.42	7.79%	75.94	7.86%
Depreciation	4.84	1.88%	19.63	0.99%	8.01	0.30%	3.70	0.38%
Preliminary expenses written off	-	-	0.34	0.02%	0.91	0.03%	0.30	0.03%

Expenditure during the Year (A)	257.40	100.00%	1,975.34	100.00%	2,651.06	100.00%	965.57	100.00%
(Increase) / Decrease in Inventory (B)	(278.75)	-	(371.87)	-	(2,679.12)	-	(995.37)	-
Total Expenditure (A+B)	(21.35)	-	1,603.47	-	(28.06)	-	(29.80)	-

Land acquisition/improvement cost

Our land acquisition/improvement cost consists of the costs pertaining to the acquisition of land and includes land cost, land registration fees, stamp duty, brokerage, payment of land compensation and cost of purchase of transfer development rights.

Cost of construction

Our cost of construction consists of direct expenses like raw material costs, labour charges, professional fees of architects and site consultants and engineering fees, site development expenses, excavation expenses and other costs directly attributable to the construction of our projects. Our raw material costs for fiscal years 2007, 2008 and 2009 and for the three months ended June 30, 2009 constituted 58.0%, 49.0%, 36.0% and 29.0%, respectively, of our total cost of construction. The labor charges and fees paid to professionals for construction activities for fiscal years 2007, 2008 and 2009 and for the three months ended June 30, 2009 constituted 24.0%, 38.0%, 53.0% and 66.0%, respectively, of our total cost of construction.

Increase/(Decrease) in inventories

Our inventories represent closing work-in-progress and finished but unsold properties. Work-in-progress includes cost of land, direct construction costs such as raw materials costs, labour costs, professional fees of consultants, payment to government authorities for permissions, borrowing costs and other related overheads.

Finished unsold inventory is valued at the lower of cost or net realizable value. An increase in inventories generally represents increased construction activities and a decrease in inventories generally represents reduced construction activities or increased in sales.

Administrative, selling and other expenses

The key components of administrative expenses include office rent, electricity and telephone bills and other expenses. The key components of selling/marketing expenses include expenses in relation to sample flats and sales offices, advertisements in newspapers, hoardings, and fees to advertisement consultants. The key components of our staff expenses include personnel salary and staff welfare expenses. The aggregate salary paid by us to our employees in fiscal years 2007, 2008 and 2009 and the three month period ended June 30, 2009 constituted 29.2%, 29.8%, 37.0% and 33.2%, respectively of our total administrative, selling and other expenses.

Finance expenses

Our finance expenses consist primarily of interest paid on secured project loans obtained from banks and on unsecured loans obtained from private parties and professional fees paid to consultants for arranging loans.

Depreciation

Our depreciation represents depreciation and amortization expenses on tangible and intangible fixed assets.

Preliminary expenses write off

Preliminary expenses written off consist of pre-incorporation expenses relating to formation of the Company and the fees for the subsequent increases in the authorised share capital of the Company.

Taxation

Provisions for taxation consist of provisions for current tax, deferred tax, wealth tax and fringe benefit tax. See "**Critical Accounting Policies—Income Taxes**" for further information on taxation.

Minority interest

Minority interest consists of the interest of the minority shareholders in the share in the profits or losses of companies in which we have a majority interest.

Overview of Our Results of Operations

The following table sets forth certain information with respect to our revenues, expenses and profits on a consolidated basis, for the periods indicated.

Particulars	For the three months ended June 30, 2009		For the year ended March 31, 2009		For the year ended March 31, 2008		For the year ended March 31, 2007	
	(Rs. In Million)	% of Total Income	(Rs. In Million)	% of Total Income	(Rs. In Million)	% of Total Income	(Rs. In Million)	% of total Income
INCOME								
Sales	5.67	25.52%	1,720.61	97.35%	1.48	36.72%	4.06	89.80%
Total Operating Profit	5.67	25.52%	1,720.61	97.35%	1.48	36.72%	4.06	89.80%
Other Income	16.53	74.48%	46.88	2.65%	2.55	63.28%	0.46	10.20%
Total (A)	22.20	100.00%	1,767.49	100.00%	4.02	100.00%	4.52	100.00%
EXPENDITURE								
Land Acquisition / Improvement Cost	0.20	0.91%	655.38	37.08%	1,065.15	26,464.38%	179.02	3,959.71%
Cost of Construction	163.79	737.85%	1,011.68	57.24%	1,278.03	31,753.51%	656.88	14,529.45%
(Increase) / Decrease in Inventory	(278.75)	-1,255.72%	(371.87)	-21.04%	(2,679.12)	-66,564.42%	(995.37)	-22,016.32%
Administrative, Selling & Other Expenses	34.47	155.27%	106.66	6.03%	92.53	2,299.04%	49.72	1,099.84%
Finance Expenses	54.10	243.71%	181.64	10.28%	206.42	5,128.72%	75.94	1,679.72%
Depreciation	4.84	21.82%	19.63	1.11%	8.01	198.89%	3.70	81.76%
Preliminary expenses written off	-	0.00%	0.34	0.02%	0.91	22.59%	0.30	6.70%
Total (B)	(21.35)	-96.16%	1,603.47	90.72%	(28.06)	-697.29%	(29.80)	-659.13%
Net Profit Before Tax (A-B)	43.54	196.16%	164.02	9.28%	32.09	797.29%	34.32	759.13%
Less : Taxation	(21.61)	-97.35%	(57.28)	-3.24%	-	0.00%	-	0.00%
Less : Provision for Deferred Tax	0.13	0.60%	0.39	0.02%	0.29	7.29%	-	0.00%
Less : Provision for Wealth Tax	(0.02)	-0.08%	(0.04)	0.00%	-	0.00%	-	0.00%
Less : Provision for Fringe Benefit Tax	-	0.00%	(1.31)	-0.07%	(1.29)	-32.07%	-	0.00%

Less : Prior Period Adjustments	-	0.00%	4.11	0.23%	-	0.00%	22.78	503.76%
Net Profit After Tax Before Minority Interest And Share Of Profit/(Loss) In Associates As Per Audited Financial Statement	22.05	99.32%	109.89	6.22%	31.09	772.51%	57.10	1262.89%
Less : Minority Interest	0.01	0.05%	(8.25)	-0.47%	(21.96)	-545.55%	(12.61)	-278.93%
Less : Loss of Associate	(0.00)	0.00%	(0.11)	-0.01%	(0.21)	-5.29%	-	0.00%
Net Profit After Tax As Per Audited Financial Statement	22.06	99.37%	101.50	5.74%	8.92	221.66%	44.49	983.96%
Less : Adjustments made on account of Restatement	-	0.00%	(4.01)	-0.23%	16.30	404.98%	(36.02)	-796.61%
Net Profit After Tax As Per Restated	22.06	99.37%	97.49	5.52%	25.22	626.64%	8.47	187.35%
Profit and Loss account, beginning of the year	142.43	641.61%	44.94	2.54%	19.68	488.97%	11.21	247.96%
Balance available for appropriations, as restated	164.48	740.98%	142.43	8.06%	44.94	1,116.44%	19.68	435.31%
Transfer to General Reserve	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Tax on Dividend	-	-	-	-	-	-	-	-
Balance carried forward to summary statement of Assets and Liabilities, as restated	164.48	740.98%	142.43	8.06%	44.94	1,116.44%	19.68	435.31%

Three Months Ended June 30, 2009

Income

Our income from sales was Rs. 5.67 million for the three-months ended June 30, 2009, consisting primarily of the sales of a unit of our Neptune Flying Kite, Bhandup project. Other income was Rs. 16.53 million consisting primarily of interest received of Rs. 5.85 million on investments in debentures issued by associates and interest received of Rs. 10.10 million on loans made to associates and subsidiaries.

Expenditure

Our land acquisition/improvement cost was Rs. 0.20 million for the three-months ended June 30, 2009. Our cost of construction was Rs. 163.79 million for the three-months ended June 30, 2009, consisting primarily of professional fees for construction work of Rs. 92.53 million, labour charges of Rs. 16.05 million and raw material costs of Rs. 47.12 million.

Administrative, selling and other expenses were Rs. 34.47 million for the three-months ended June 30, 2009, consisting primarily of personnel salaries of Rs. 11.44 million, professional fees of Rs. 5.53 million, sample flats and sales offices expenses of Rs. 2.41 million, advertisement expenses of Rs. 2.39 million, and office rent of Rs. 1.54 million.

Finance expenses were Rs. 54.10 million for the three-months ended June 30, 2009, consisting primarily of interest paid on secured loans of Rs. 52.40 million and interest paid on unsecured loans of Rs. 1.84 million.

Depreciation was Rs. 4.84 million for the three-months ended June 30, 2009.

Net Inventories amounted to Rs. 278.75 million for the three-months ended June 30, 2009, consisting primarily of units of our Element, Thane and Magnet Mall, Bhandup projects.

Net profit before tax

As a result of the foregoing, net profit before tax was Rs. 43.54 million for the three-months ended June 30, 2009.

Taxation

Our current income tax was Rs. 21.61 million for the three-months ended June 30, 2009.

Net profit after tax

Our net profit after tax was Rs. 22.06 million for the three-months ended June 30, 2009.

Year Ended March 31, 2009 Compared to Year Ended March 31, 2008

Income

Our income from sales increased from Rs. 1.48 million in fiscal year 2008 to Rs. 1,720.61 million in fiscal year 2009. This increase was primarily due to recognition of sales of Rs. 818.78 million on account of completion and sale of units of the first part of the residential project Neptune Living Point in Bhandup, MMR and of Rs. 901.81 million mainly due to completion and sale of Metro, completed part of our retail project, Magnet Mall, in Bhandup, MMR.

Other income increased from Rs. 2.55 million in fiscal year 2008 to Rs. 46.88 million in fiscal year 2009, primarily due to interest received of Rs. 23.39 million from Neptune Enclave Private Ltd. on investments in debentures issued by associates and interest received of Rs. 22.34 million from Neptune Realtors Private Ltd on loans which are recurring in nature. The remaining income of Rs. 1.15 million was attributable to the interest income from bank fixed deposits which are recurring in nature and interest on income tax refund which is not recurring in nature.

Expenditure

Our land acquisition/improvement cost decreased by Rs. 409.77 million from Rs. 1,065.15 million in fiscal year 2008 to Rs. 655.38 million in fiscal year 2009, primarily due to reduced acquisition activities, commencement of construction activities during fiscal year 2009 and the slowdown in the global economy during fiscal year 2009.

Our cost of construction also decreased by Rs. 266.35 million from Rs. 1,278.03 million to Rs. 1,011.68 million, primarily due to reduced construction activities in fiscal year 2009 as compared with fiscal year 2008, on account of the global recessionary trend.

Inventories decreased from Rs. 2,679.12 million in fiscal year 2008 to Rs. 371.87 million in fiscal year 2009 primarily due to sales of units at the Neptune Living Point project and the Metro part of our Magnet Mall project during the fiscal year 2009.

Finance expenses decreased by Rs. 24.78 million from Rs. 206.42 million in fiscal year 2008 to Rs. 181.64 million in fiscal year 2009, primarily due to the partial repayment of the secured loan taken from HUDCO for our Neptune Living Point project. Administrative, selling and other expenses increased by Rs. 14.13 million from Rs. 92.53 million in fiscal year 2008 to Rs. 106.66 million in fiscal year 2009. We were able to attract additional professional personnel commensurate with our growth which resulted in corresponding increases in our administrative expenses and selling expenses due to the launching of the Neptune Swarajya Project in Ambivali, Kalyan.

Depreciation increased by Rs. 11.62 million from Rs.8.01 million in fiscal year 2008 to Rs.19.63 million in fiscal year 2009, primarily due the addition of fixed assets to our new corporate premises taken on lease.

Net profit before tax

As a result of the foregoing, net profit before tax increased by Rs. 131.93 million from Rs.32.09 million in fiscal year 2008 to Rs. 164.02 million in fiscal year 2009 primarily due to increase in construction activity and recognition of sales.

Taxation

Our current income tax was Rs. 57.28 million in fiscal year 2009.

Minority interest

Minority interest represented the share of profit of minority shareholders/partners which was reduced from Rs. 21.96 million in fiscal year 2008 to Rs. 8.25 million in fiscal year 2009.

Net profit after tax

Our net profit after tax increased by Rs. 72.27 million from Rs. 25.22 million in fiscal year 2008 to Rs. 97.49 million in fiscal year 2009.

Year Ended March 31, 2008 Compared to Year Ended March 31, 2007

Income

Our sales decreased by Rs. 2.58 million from Rs. 4.06 million in fiscal year 2007 to Rs. 1.48 million in fiscal year 2008, since our Neptune Living Point and Magnet Mall projects were at early stages of construction and we did not have other completed projects for sale in fiscal year 2008 compared to fiscal year 2007 when we sold certain flats in the Neptune Harmony project. Other income increased by Rs. 2.09 million from Rs. 0.46 million in fiscal year 2007 to Rs. 2.55 million in fiscal year 2008 primarily due to profit on slump sale of a business unit of Neptune Developers to our promoter group company Neptune Developers and Constructions Private Limited.

Expenditure

Our land acquisition/improvement cost increased by Rs. 886.13 million from Rs. 179.02 million in fiscal year 2007 to Rs. 1,065.15 million in fiscal year 2008, primarily due to our acquisition of land at Vishakhapatnam, Pune, Ambivali (Kalyan). Our cost of construction increased by Rs. 621.15 million from Rs. 656.88 million in fiscal year 2007 to Rs. 1,278.03 million in fiscal year 2008, primarily due to a substantial increase in construction activity with respect to our ongoing projects, Neptune Living Point and Magnet Mall at Bhandup and the Element project in Thane.

Our inventories increased from Rs. 995.37 million in fiscal year 2007 to Rs. 2,679.12 million in 2008 primarily due to increased construction activities.

Administrative, selling and other expenses increased by Rs. 42.81 million from Rs. 49.72 million in fiscal year 2007 to Rs. 92.53 million in fiscal year 2008 in line with the overall growth of our business primarily due to an increase in advertising expenses, recruitment expenses and business promotion activities.

Finance expenses increased by Rs. 130.48 million from Rs. 75.94 million in fiscal year 2007 to Rs. 206.42 million in fiscal year 2008, primarily due to an increase in interest costs on debts from HUDCO and Indian Bank for the Neptune Living Point project and the Metro part of our Magnet Mall project.

Depreciation increased by Rs. 4.31 million from Rs. 3.70 million in fiscal year 2007 to Rs. 8.01 million in fiscal year 2008, primarily due to the addition of fixed assets.

Net profit before tax

Net profit before tax decreased by Rs. 2.23 million from Rs. 34.32 million in fiscal year 2007 to Rs. 32.09 million in fiscal year 2008, primarily due to increase in construction activity based on which profits were recognized on the percentage completion method.

Minority interest

Minority interest represented the share of profit of minority shareholders/partners which increased to Rs. 21.96 million in fiscal year 2008 from Rs. 12.61 million in fiscal year 2007.

Net profit after tax

Net profit after tax increased from Rs. 8.47 million in fiscal year 2007 to Rs. 25.22 million in fiscal year 2008.

Liquidity and Capital Resources

We operate in a capital-intensive industry and have historically financed the development of our projects and other capital expenditure through a combination of internal cash generation, cash from operations, equity investments by private investors, and secured and unsecured loans from, commercial banks, financial institutions and other entities and individuals. Our liquidity requirements relate to servicing our debt, funding investments in new projects, funding our working capital requirements and maintaining cash reserves against fluctuations in operating cash flows. Our funding activities are conducted within corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. We currently hold our cash and cash equivalents in Indian Rupees.

Our short-term liquidity requirements relate to servicing our debt and funding our working capital requirements. Sources of short-term liquidity include cash balances and receipts from our operations.

Our long-term liquidity requirements include partial funding of our investments in new projects, funding our investments in the special purpose vehicles and repayment of long-term debt under our credit facilities.

As at June 30, 2009, we had cash and cash equivalents of Rs.149.31 million. The following table presents our cash flow data for the periods indicated:

Cash Flow Data

The following table sets forth certain information about our consolidated cash flows for the periods indicated.

(Rs. Million)

	For the three-month period ended June 30,	For the year ended March 31,		
	2009	2009	2008	2007
Net cash (used in)/generated from operating activities	(140.58)	(1,922.34)	(1,535.63)	(918.23)
Net cash (used in)/generated from investing activities	10.02	16.68	(390.91)	(24.30)
Net cash (used in)/generated from financing activities	198.72	1,935.91	1,740.86	1,179.12
Cash and cash equivalents at end of period	149.31	81.15	50.91	236.59

Cash flows from/(used in) operating activities

Net cash used in operating activities for the three months ended June 30, 2009 was Rs. 140.58 million, which included operating profit before working capital changes of Rs. 85.82 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 43.54 million, adjusted for non cash items of depreciation/amortization and deferred tax of Rs. 4.71 million, other income of Rs. 16.53 million and finance expenses of Rs. 54.10 million. Cash inflows were reduced by Rs. 119.10 million, as a result of an increase in inventories by Rs. 278.75 million, an increase in loans and advances by Rs. 108.16 million, a decrease in minority interest by Rs. 1.24 million and a decrease in sundry debtors by Rs. 3.55 million, partially offset by a increase in current liabilities by Rs. 177.20 million. Income Tax paid for the period was Rs 21.48 million. The increase in current liabilities was primarily due to advances received from customers towards sales of units of Neptune Swarajya, Ambivali and Neptune Flying Kite, Bhandup and Element, Thane projects. The increase in loans and advances was primarily due to advances given to group companies, body corporate and associates. The increase in inventories reflected our costs relating to construction of the foregoing projects.

Net cash used in operating activities for fiscal year 2009 was Rs. 1,922.34 million, which included operating profit before working capital changes of Rs. 319.56 million. Operating profit before working capital changes consisted of net profit before

taxation of Rs. 164.08 million, adjusted for non cash items of depreciation/amortization and deferred tax of Rs. 19.23 million, other income of Rs. 45.74 million and finance expenses of Rs. 181.64 million and preliminary expense written off of Rs. 0.34 million. Cash inflows were reduced by Rs.1,855.41 million, as a result of an decrease in current liabilities by Rs. 931.51 million, an increase in loans and advances by Rs. 815.98 million, an increase in inventories by Rs. 371.87 million, an increase in minority interest by Rs. 29.68 million and an increase in sundry debtors by Rs. 25.93 million. Income Tax paid for the period was Rs 66.59 million. The decrease in current liabilities was primarily due to advances received from customers towards sales of properties in the Neptune Living Point project and the Metro part of our Magnet Mall project. The increase in loans and advances was primarily due to advances given towards acquisition of properties mainly in Ambivali, Cochin and Chennai. The increase in inventories reflected our costs relating to acquisition of land and construction of projects.

Net cash used in operating activities for fiscal year 2008 was Rs. 1,535.67 million, which included operating profit before working capital changes of Rs. 287.34 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 74.84 million, adjusted for non cash items of depreciation/amortization and deferred tax of Rs. 7.71 million, other income of Rs. 2.55 million, finance expenses of Rs. 206.42 million and preliminary expenses written off of Rs. 0.91 million. Cash inflows were reduced by Rs. 1,486.04 million, as a result of an increase in inventories by Rs. 2,641.07 million, an increase in loans and advances by Rs. 327.37 million and an increase in minority interest by Rs. 43.59 million. Cash outflows were reduced as a result of a increase in current liabilities by Rs. 1,238.51 million and a decrease in debtors by Rs. 0.14 million. Income Tax paid for the period was Rs 49.62 million The increase in current liabilities was mainly due to an increase in creditors for land for which agreements were completed such as like Pune and Ambivali. The increase in loans and advances was due to advances given in relation to property acquisitions in Pune, Cochin, Chennai, Ambivali for which we were yet to enter into definitive agreements. The increase in inventories reflected our acquisition of land and costs of construction and development.

Net cash used in operating activities for fiscal year 2007 was Rs. 918.23 million, which included operating profit before working capital changes of Rs. 116.64 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 36.71 million, adjusted for non cash items of depreciation/amortization of Rs. 3.70 million, various items of income/expense not arising from operating activities of Rs. 0.01 million, finance expenses of Rs. 75.94 million and preliminary expenses written off of Rs. 0.30 million. Cash inflows were reduced by Rs. 888.77 million as a result of an increase in inventories by Rs. 2,570.48 million, increase in loans and advances by Rs. 439.88 million and an increase in minority interest by Rs. 202.31 million. Cash outflows were reduced by Rs. 2,208.17 million as a result of a increase in current liabilities and an increase in debtors by Rs. 0.92 million. Income Tax paid for the period was Rs 28.24 The increase in current liabilities was mainly due to conversion of advances received from customers for the Neptune Living Point project and the Metro part of our Magnet Mall project towards sales. The increase in loans and advances was due to advances given for acquisition of land, procurement of raw materials and services. The increase in inventories reflected our acquisition of land and costs of construction and development.

Cash flows from/(used in) investing activities

Net cash generated from investing activities for the three months ended June 30, 2009 was Rs.10.02 million, which consisted primarily of interest received of Rs. 16.53 million. Further, cash was utilized to purchase fixed assets of Rs. 6.52 million.

Net cash generated from investing activities for fiscal year 2009 was Rs. 16.68 million, which consisted primarily of interest received of Rs. 45.74 million. Further, cash was utilised to purchase fixed assets of Rs. 29.06 million.

Net cash used in investing activities for fiscal year 2008 was Rs. 390.91 million, which consisted primarily of Rs. 324.47 million used for business investments in associate companies, Rs. 68.98 million towards net purchase of fixed assets. Further, there was an increase in cash due to interest received of Rs. 2.55 million.

Net cash used in investing activities for fiscal year 2007 was Rs. 24.30 million, which consisted primarily of net purchases of fixed assets amounting to Rs. 24.06 million.

Cash flows from/(used in) financing activities

Net cash generated from financing activities for the three months ended June 30, 2009 was Rs. 198.72 million, which consisted of proceeds from debts of Rs. 232.82 million and share application money amounting to Rs. 20.00 million, partially offset by finance expenses of Rs. 54.10 million.

Net cash generated from financing activities for fiscal year 2009 was Rs. 1,935.91 million, which consisted of subscription money of Rs. 612.25 million for equity shares and compulsory convertible preference shares and from debts of Rs. 771.57

million. Further, cash was utilized for repayments in respect of share application money amounting to Rs. 2.5 million (out of share application money received in 2008) and finance expenses amounting to Rs. 181.64 million.

Net cash generated from financing activities for fiscal year 2008 was Rs. 1,740.86 million, which consisted of debts of Rs. 1,514.08 million and share application money of Rs. 433.20 million, partially offset by finance expenses of Rs. 206.42 million. Net cash generated from financing activities for fiscal year 2007 was Rs. 1,179.12 million, which consisted of subscription money of Rs. 336.60 million for equity shares and compulsorily convertible preference shares, debts amounting to Rs. 837.25 million, share premium of Rs. 70.61 million and share application money of Rs. 10.60 million partially offset by finance expenses of Rs. 75.94 million.

Borrowings

As of March 31, 2009 and June 30, 2009 we had total secured borrowings of Rs. 1561.75 million and Rs. 1720.54 million, respectively and unsecured borrowings of Rs. 1,401.83 million and Rs. 1,475.85 million, respectively. As of June 30, 2009, our total indebtedness was Rs. 3,196.40 million. All of our borrowings are denominated in Indian Rupees. As of June 30, 2009, all of our borrowings mature within 5 years, with approximately 59.41 % being due or repayable within 12 months later.

The following table sets forth the maturity profile of our indebtedness as of June 30, 2009.

Payments Due	(Rs. Million)
Within one year	1,902.25
One to three years.....	1,263.00
Three to five years.....	31.15
Total.....	3,196.40

Contingent Liabilities

The following table sets forth further particulars relating to our contingent liabilities:

Particulars	In Rs. Millions, as at					
	June 30, 2009	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006	March 31, 2005
Corporate Guarantee given by Company:						-
To Subsidiaries	1,229.62	1,159.67	894.99	519.99	549.99	
To Group Companies	63.79	70.36	114.68			
To Others	387.20	315.69				
Total	1,680.61	1,545.72	1,009.67	519.99	549.99	-

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We believe that our principal market risks are market price risk, interest rate risk, liquidity risk, credit risk and commodity risk. The following discussion and analysis, which constitute "forward-looking statements" that involve risk and uncertainties, summarize our exposure to different market risks.

Interest Rate Risk

Our exposure to interest rate risks relates primarily to our debt. Our long-term rupee-denominated debts, which bear interest at floating rates linked with prime lending rates of the respective lenders, as determined from time to time, are subject to

fluctuations in interest rates, which could negatively affect the amount of interest payable by us under our debt obligations and could make it more difficult for us to procure new debt on attractive terms. 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.

Liquidity Risk

Our business is highly capital intensive, requiring substantial capital to develop and market our projects. We manage our liquidity profile by pre-selling projects under development and by obtaining credit facilities. We currently intend to use the proceeds from pre-sales and debt and equity issuances to finance our operations. If these funds are insufficient to meet our funding requirements, we may not have sufficient funds to meet our operational requirements.

Credit Risk

We are exposed to credit risk in relation to our buyers paying in instalments. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms and conditions of its financial contract with us, principally the failure to make required payments on amounts due to us. We allow customers to pay in instalments for projects during the construction period. The credit risk we face is mitigated by the terms of the standard agreement with our buyers whereby the property may be returned to us in the event of a customer's failure to pay its instalment obligations.

Commodity Price Risk

As a property developer, we are exposed to the risk that prices for construction materials used to build our properties (including timber, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. We are exposed to the risk that we may not be able to pass increased commodities costs to our customers, which would lower our margins.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge there have been no events or transactions over the course of the preceding year which may be described as "unusual" or "infrequent".

Known trends or uncertainties

Other than as described in the sections entitled "**Risk Factors**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future relationship between costs and income

Other than as described in the sections entitled "**Risk Factors**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on our operation and finances.

New products or business segment

Other than as described in this Draft Red Herring Prospectus, we do not have any new products or business segments.

Seasonality of business

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilize our resources. Notwithstanding, we generally do not believe that our business is seasonal.

Dependence on few customers and suppliers

We are not dependent on any single customer or supplier.

Information in respect of the period after June 30, 2009 that may affect our results of operations

Since June 30, 2009, the date of the most recent balance sheet presented in this Draft Red Herring Prospectus, the domestic credit market for real estate development activities has remained challenging; however, there has been a steady increase in construction activity and the volume of transactions undertaken by our Company.

In September 2009, we allotted 64,400 Equity Shares at Rs. 10 each amounting to Rs. 0.64 million and at a premium of Rs. 990 per Equity Share amounting to Rs. 63.75 million. For further details of these share allotments, please refer to the section titled "**Capital Structure**" beginning on page 28 of this Draft Red Herring Prospectus.

We redeemed 2,098,500 zero coupon fully convertible preference shares of Rs. 100 each amounting to Rs. 209,850,000 pursuant to a special resolution passed at the extraordinary general meeting of the Company held on August 20, 2009 and following the receipt of the requisite consent from the holders of these zero coupon fully convertible preference shares to amend certain terms of these preference shares.

In December 2009, we (i) issued 88,816,638 bonus Equity Shares to existing shareholders at a ratio of one bonus Equity Share for every six Equity Shares held, (ii) issued 8,080,849 Equity Shares to Alpex International Ltd of Rs. 10 each at premium of Rs. 153 per Equity Share on a preferential basis, (iii) converted 0.0001% 3,356,725 compulsorily convertible preference shares of Rs. 10 each into 1,388,866 Equity Shares of Rs. 10 each at a premium of Rs. 14.17 per Equity Share and (iv) issued 2,351,567 Equity Shares of Rs. 10 each to IL&FS Trust Company Limited at premium of Rs. 75.05 per Equity Share. For further details, see section titled "**Capital Structure**" beginning on page 28 of this Draft Red Herring Prospectus.

We also repaid an unsecured loan from Nozaki International amounting to Rs. 1,314.99 million in September 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 the Draft Red Herring Prospectus which materially and adversely affects or is likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Financial Indebtedness

Company

Secured Loans

The following are the outstanding secured loans taken by the Company on a standalone basis as on November 30, 2009.

Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Principal amount outstanding as on November 30, 2009	Rate of Interest	Tenure	Repayment	Security
Axis Bank Limited	Bank Overdraft facility granted to Neptune Developers Limited vide letter dated September 1, 2009 for personal use	Rs. 27 Million	Rs. 8.95 Million	Floating rate	Floating	Floating	Pledge of deposits of the Bank standing in the name of Neptune Enclave Private Limited amounting to Rs. 30 Million
Axis Bank Limited	Bank Overdraft facility granted to Neptune Developers Limited vide letter dated August 27, 2009 for personal use	Rs. 4.5 Million	Nil	Floating rate	Floating	Floating	Pledge of deposits of the Bank standing in the name of Neptune Enclave Private Limited amounting to Rs. 5 Million
Axis Bank Limited	Bank Overdraft facility granted to Neptune Developers Limited vide letter dated September 1, 2009 for personal use.	Rs.4.05 Million	Nil	Floating rate	Floating	Floating	Pledge of deposits of the Bank standing in the name of Neptune Enclave Private Limited amounting to Rs. 4.50 Million
Axis Bank Limited	Bank Overdraft facility granted to Neptune Developers Limited vide revised letter dated November 14, 2009 for personal use.	Rs. 36.4 Million	Rs. 32.9 Million	Floating rate	Floating	Floating	Collateral of Fixed Term / Recurring Deposits of 20 Million each in Axis bank Account Number 108010400203944 and 108010400203951 with Axis Bank
Axis Bank Limited	Bank Overdraft facility granted to Neptune Developers Limited vide letter dated November 12, 2009 for personal use.	Rs. 13.50 Million	Nil	Floating rate	Floating	Floating	Collateral of Fixed Term / Recurring Deposits of 5 Million each in Axis bank Account Number – 108010400227537, 108010400227551, 108010400227544.
Axis Bank Limited	Car loan facility granted to Neptune Developers Limited vide letter dated August 5, 2008	Rs. 1.66 Million	Rs. 0.97 Million	10.33%	36 months	Beginning from August 5, /2008 till July 1, 2011	Secure against Hypothecation of car
ICICI Bank Limited	Car loan facility granted to Neptune Developers Limited vide letter dated March 17, 2008	Rs. 0.88 Million	Rs. 0.63 Million	10.94%	60 months	Beginning from April 10, 2008 till February 2, 2013	Secure against Hypothecation of car
ICICI Bank Limited	Car loan facility granted to Neptune Developers Limited vide letter dated August 4, 2008	Rs. 8.90 Million	Rs. 6.99 Million	10.88%	60 months	Beginning from September 10, 2008 till July 10, 2013	Secure against Hypothecation of car
Axis Bank Limited	Car loan facility granted to Neptune Developers Limited vide letter dated February 9, 2009	Rs. 1.83 Million	Rs. 1.58 Million	11.76%	60 months	Beginning from March 1, 2009 till February 1, 2014	Secure against Hypothecation of car

Unsecured Loans

The Company has Nil unsecured loans.

Subsidiaries

Secured Loans

The following are the outstanding secured loans taken by the Subsidiaries, associates and Group Companies of the Company on a standalone basis as on November 30, 2009.

S. No	Name of the lenders	Nature of borrowing	Amount sanctioned	Principal amount outstanding as on November 30, 2009	Rate of interest	Tenure or Date of commencement of repayment	Repayment	Security
M/s. Neptune Developers								
1.	Bank of India	Term loan facility sanction letter dated December 19, 2007 and revised on April 17, 2009 of grant of term loan facility for construction of tech boutique park at Thane and finalised vide term loan agreement dated June 17, 2008	Rs. 445 million	Rs. 260.17 million	0.25% below benchmark PLR; (presently 13% p.a.) w.e.f. December 19, 2007; revised to 0.50% over benchmark PLR (presently 12.5% p.a.) with monthly rests w.e.f. April 17, 2009	Repayable in 6 quarterly installments beginning April 30, 2011	3 quarterly installments starting from September 2009 till March 2010 amounting to Rs.20 Million; 2 installments starting from June 2010 till September 2010 amounting to Rs. 130 Million; final installment in the quarter of December 2010 amounting to Rs. 125 Million	Please refer to Note 1
		Letter of credit DO/DA 90 days within term loan limit and finalised vide revised sanction letter dated April 17, 2009	Rs. 100 million	-Company has not availed the LC	Applicable Bank commitment charges	90 days	Revised to 6 quarterly installments w.e.f. April 30, 2011 amounting to Rs. 74.20 Million	
2.	Oriental Bank of Commerce	Sanction letter dated February 26, 2008; revised June 16, 2009, sanctioning credit facilities for the construction of a tech boutique park at Thane and finalised vide term loan agreement dated June 17, 2008	Rs. 105 million	Rs. 60.29 million	0.50% over PLR (presently 12.50% p.a.) with monthly rests	-	6 quarterly installments w.e.f. September 2009 till March 2010 amounting to Rs. 4.70 Million and from June 2010 till December 2010 amounting to Rs. 30.30 Million.	Please refer to Note 1
						April 30, 2011	Revised to 6 quarterly installments starting from April 30, 2011 amounting to Rs. 17.50 Million	
3.	Punjab National Bank	Letter dated January 24, 2008, revised June 27,	Rs. 350 million	Rs. 203.87 million	13% p.a.; revised to 0.50% over	-	3 quarterly installments w.e.f. September 2009	Please refer to Note 1

S. No	Name of the lenders	Nature of borrowing	Amount sanctioned	Principal amount outstanding as on November 30, 2009	Rate of interest	Tenure or Date of commencement of repayment	Repayment	Security
		2009, sanctioning credit facilities for construction of tech boutique park at Thane and finalised vide term loan agreement dated June 17, 2008			benchmark PLR and term loan premium of 0.75% (presently 12.25%) w.e.f. June 27, 2009		till March 2010 amounting to Rs. 15.30 Million; 2 installments from June 2010 till September 2010 amounting to Rs. 99.70 Million; and final installment in the quarter of December 2010 amounting to Rs. 104.70 Million	
						December 31, 2010,	Revised to 5 quarterly installments w.e.f. December 31, 2010 till December 31, 2011 amounting to Rs. 58.30 Million; and final installment in the quarter of March 31, 2012 amounting to Rs. 58.5 Million	
Neptune Ventures and Developers Private Limited								
9.	HUDCO	Loan agreement dated June 25, 2005 for "Neptune Living Point" township project	Rs. 950 million (subsequently reduced to Rs. 770 Million by a letter dated July 13, 2007)		9.25% p.a. (Floating rate)		Quarterly repayment w.e.f. February 28, 2007 till February 28, 2010 amounting to Rs. 73.07 Million; revised to quarterly repayment w.e.f. February 28, 2007 amounting to Rs. 110 Million and February 29, 2008 till February 28, 2009 amounting to Rs. 132 Million	Please refer to Note 2
		Loan agreement dated June 28, 2007 for "Neptune Living Point" township project Deferment to loan repayment and amendment to loan agreement dated 28th June 2007 (letter by HUDCO dated March 20, 2009)	Additional loan of Rs. 610 million (total amount of Rs. 1380 million)	850.06 million	11.25% p.a. (Floating rate)	February 28, 2007	Quarterly repayment w.e.f. February 28, 2007 amounting to Rs. 110 Million; February 29, 2008 to February 28, 2009 amounting to Rs. 132 Million and May 31, 2009 till August 31, 2010, amounting to Rs. 101.6 Million. Quarterly repayment starting from February 28, 2007 amounting to INR 110 million and February 29, 2008 till August 31, 2008 amounting to INR	

S. No	Name of the lenders	Nature of borrowing	Amount sanctioned	Principal amount outstanding as on November 30, 2009	Rate of interest	Tenure or Date of commencement of repayment	Repayment	Security
							132 million and November 30, 2008 amounting to INR 79.79 million and February 28, 2009 till February 28, 2015 amounting to INR 30.547 million and May 31, 2015 amounting to INR 30.533 million	
		Loan agreement dated September 4, 2009 for “Neptune Living Point” township project	Additional loan of Rs. 547 million; totaling to Rs. 1,927 million		Floating Rate	May 31 , 2010	Repayment in twenty three quarterly installments starting from November 30, 2009 till May 31, 2015; amounting to Rs. 23.78 million. Revised at repayment sharing from May 31, 2010 till February 28, 2015 amounting to Rs. 26.04 Million and May 31, 2015 amounting to Rs. 26.046 Million.	
10.	Indian Bank	Loan agreement dated June 28, 2007 for Living Point Township Project	Rs. 750 million	Rs. 699.72 million	1.50% less than the benchmark PLR and the term loan premium (presently 11% p.a.)		Repayable in eight equal quarterly installments commencing from the 17 th month of first draw down, amounting to Rs. 93.75 million	Please refer to Note 3
		Rephasement of term loan dated February 25, 2009 Indian Bank			Benchmark PLR and term loan premium (presently 13% p.a.)	January 15 th 2010	Repayment in eight equal quarterly installments w.e.f. January 2010 till October 2011	
		Sub-limit of letter of credit dated April 2008 for import (payment against acceptance / payment against delivery of document) for 90 days	Rs. 200 million	NIL	Applicable Bank commitment charges Applicable commitment charges	90 days	-	
		Sub-limit of letter of credit for import for 90 days	Rs. 150 million					

Note 1

Security

- *Pari passu* charge over the land situated at Thane owned jointly with M/s. Dosti Corporation (Business Park) and the building to be constructed thereon.

- *Pari passu* charge over the current assets (i.e. construction materials and receivables) of M/s. Neptune Developers.
- Guarantee of M/s. Dosti Corporation (Business Park) who are joint owners of the land.

Corporate Actions

Certain corporate actions for which M/s. Neptune Developers requires the prior written consent of the lenders (i.e. Bank of India, Oriental Bank of Commerce and Punjab National Bank) include:

- Pay commissions to its promoters, directors, managers or other persons for furnishing guarantees, counter-guarantees or indemnities or for undertaking any other liability.
- Create any charge, lien or encumbrance over its assets.
- Enter into partnership, profit-sharing or royalty agreement (except bonus paid to the employees of M/s. Neptune Developers, royalties payable to foreign collaborators).
- Sell, assign mortgage or otherwise dispose of any fixed assets charged to the bank.
- Revalue assets.
- Effect any change in the registered office or location from that mentioned in the loan application.
- Withdrawal of unsecured loans or deposits for financing the capital cost and requirement of working capital.
- Effect any change in the capital structure.
- Formulate any scheme of amalgamation or reconstruction.
- Undertake modernization/ expansion/ diversification/ new projects schemes
- Invest by way of investment in share capital or by lending or advancing funds to or by placing deposits with any other bank, financial institution, company, and firm / concern persons. Normal Trade credit or security deposit in the normal course of business or advance to employees can however be extended.
- Extend financial guarantee.
- Directly or indirectly purchase, acquire or lease any property, assets or goods from or sell, transfer or lease an property, assets or goods to any shareholder, director, officer, agent, employee or any company or body corporate or other body or association of persons in which any one or more of such shareholders, directors, officers, agents or employees of the Company has or hold, singly or jointly and directly or indirectly in the aggregate more than 2% beneficial interest.

Note 2

Security

- A first charge by way of mortgage by deposit of title deeds of the project in favour of HUDCO till the repayment of entire loan, interest, compound interest, additional interest, penal interest and any other monies as shall be due to HUDCO in pursuance of the terms of the loan agreement.
- A first charge by way of hypothecation in favour of HUDCO of all the movable assets pertaining to the project including moveable machinery, machinery spares, equipments, electrical fittings, air conditioners, power generators insulation installations, furniture, fixtures, vehicles, book-debts, receivables, moveable and other assets, construction equipments, tools and accessories, both present and future.
- An assignment by Neptune Ventures and Developers Private Limited in favour of HUDCO of:
 - All the borrower's receivables of contracts, agreements, receivables, accounts, books debts and all rights and interests present and future pertaining to the project
 - All the receivables in the Trust and Retention account with UTI Bank
 - The right, title and interest of Neptune Ventures and Developers Private Limited by way of the first charge into and under all contracts and agreements, novation of contracts, all licenses, permits, insurance policies, approval, consents and concessions letter of credit, guarantees, other performance warranties, indemnities and securities that may be furnished in favour of Neptune Ventures and Developers Private Limited.
- Opening of a Trust and Retention account with UTI Bank and assignment of all receivables into the Trust and Retention account.
- Submission of post-dated cheques covering repayment and interest.
- Execution of a power of attorney in favour of HUDCO to sell all the assets.

Promoter related securities

- A. Personal Guarantee: Unconditional and irrevocable personal guarantee of Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Mahesh Shetty, Mr. Kanjibhai Shah and Mr. Sunil Shah.
- B. Corporate Guarantee: Neptune Developers Limited -

- C. Pledge of shares:
- Pledge of 51% of Equity Shares of Neptune Developers Limited in favour of HUDCO.

Corporate Actions

Certain corporate actions for which Neptune Ventures and Developers Private Limited requires the prior written consent of the HUDCO include:

- Sell, assign mortgage or otherwise dispose off any fixed assets charged to the bank.
- Let out or part with the possession of the property or any part thereof except to the flat allottees, provided entire price of the flat/ shop/ unit, etc, has been received and deposited in Trust and Retention account and proportionate loan amount has been repaid.
- Amalgamate or merge its property with any other adjacent property nor shall create any right of way or any other easement on the property.
- Extend surety for anybody or guarantee the payment of any loan or the purchase price.
- Neptune Ventures and Developers Private Limited to seek no objection certificate from HUDCO before sale/ lease of any flat/ portion o building/ plot/ commercial space, etc.
- Loans shall not use the loans for purchase of transferable development rights.
- Repay unsecured loans extended by the promoters.
- Divestment of promoter shareholding.

Note 3

Security

- An equitable mortgage by deposit of title deeds, registered mortgage of unencumbered property for its project 'Living Point' as additional security for the due repayment of medium term loan.
- An agreement for hypothecation of the machines existing and to be purchased as and when purchased as addition security for the due repayment of medium term loan.
- Insurance cover for all assets charged to the bank against all attendant risk.
- Unsecured loans from friends/ relatives/ partners/ directors shall be secondary until currency of the advance.
- Project rights and Trust and Retention account receivables to be assigned.

Promoter-related securities

- A. Personal Guarantee: Unconditional and irrevocable personal guarantee of Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Mahesh Shetty, Mr. Kanjibhai Shah and Mr. Sunil Shah.
- B. Corporate Guarantee: Neptune Developers Limited.

Corporate Actions

Certain corporate actions for which Neptune Ventures and Developers Private Limited requires the prior written consent of Indian Bank include:

- Effect any change in the capital structure.
- Formulate any scheme of amalgamation or reconstruction.
- Undertake modernization/ expansion/ diversification/ new projects schemes.
- Revalue assets.
- Change in the accounting system radically.
- Declare dividend or distribute profits after deduction of taxes except where the installments of the principal and interest payable to the bank are being payable regularly.
- Withdraw or allow to be withdrawn any monies brought in by promoters, directors, relatives and friends.
- Invest by way of share capital in or lent or advance funds to or place deposits with any other bank, financial institution, company, firm/ concern persons (including subsidiaries). Normal security deposit in the normal course of business or advance can however be extended
- Enter into borrowing arrangements with any other bank or credit agency or money lenders or enter into any hire purchase agreement.

- Any material change in the project.

Unsecured Loans

The following are the unsecured loans of the Subsidiaries of the Company as on November 30, 2009:

(In Rs.)

Name of Companies	Loan from Shareholders	Loan from Directors	Loan from Others	Total
Deshmukh Projects Developers Pvt Ltd	76,746,743	-	-	76,746,743
Juhi Realtors Pvt Ltd	6,030,256	-	-	6,030,256
Kavya Realtors Pvt Ltd	50,610,496	-	-	50,610,496
Neptune Homes Pvt Ltd	263,015,160	-	-	263,015,160
Neptune Housing & Realty Pvt Ltd	-	-	-	-
Neptune Realtors & Developers Pvt Ltd	-	-	-	-
Neptune Realty & Property Mgmt Pvt Ltd	-	-	-	-
Neptune Residency Pvt Ltd	-	-	-	-
Neptune Ventures & Developers Pvt. Ltd.	1,204,648,415	30,970,608	19,078,128	1,254,697,151

Group Companies

Corporate Guarantee provided by the Company in respect of loan taken by Neptune Constructions

Neptune Constructions has entered into a term loan agreement dated November 7, 2007 for INR 200 Million with Axis Bank Limited. As required under the term loan agreement, the Company has provided corporate guarantee to Axis Bank Limited in respect of loan taken by Neptune Constructions for Rs. 200 Million.

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 Directors, our Promoter and our Group Companies and no outstanding material litigations involving companies other than our Company and our Subsidiaries, Promoter and Group Companies whose outcome could have a materially adverse effect on the position of our Company, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by the Company and its Subsidiary, 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 and its Subsidiary and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, its Subsidiary, its Promoters, Group Company, associates and Directors.

I. Contingent liabilities not provided for as of June 30, 2009

Our contingent liabilities not provided for and outstanding guarantees as of June 30, 2009 include:

On consolidated basis:

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007
Corporate Guarantee given by Company				
To Subsidiaries	1,229.62	1,159.67	894.99	519.99
To Group Companies	63.79	70.36	114.68	
To Others	387.20	315.69		
Total	1,680.61	1,545.72	1,009.67	519.99

On standalone basis:

Rs. In Million

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Corporate Guarantee given by Company						
To Subsidiaries	1,229.62	1,159.67	894.99	519.99	549.99	-
To Group Companies	63.79	70.36	114.68	-	-	-
To Others	387.20	315.69	-	-	-	-
Total	1,680.61	1,545.72	1,009.67	519.99	549.99	-

II. Company

Outstanding litigations and material proceedings against the Company

1. Smt. Indubai Krishna Chaudhari and others have filed a suit against the Company (Regular Civil Suit Number 75 of 2009 in the Court of the Civil Judge, Junior Division at Kalyan) with respect to certain immovable property, situated at S. No.70, H. No. 4 (P), admeasuring 1 acre and 23 gunthas in the village of Ambivili, Taluk Kalyan, District Thane Maharashtra wherein they claimed ownership and possession of the aforementioned property. The plaintiffs' contention was made on the basis of a gift deed dated August 23, 1974 by way of which the aforementioned property stood transferred to Indubai Krishna Chaudhari's late husband. However, due to the illiteracy of the husband and grandmother of the plaintiff, the mutation entry regarding the gift of the property was not properly recorded in the Maharashtra revenue records. The plaintiffs also claim to presently be in possession of the property. Additionally, the plaintiffs have sought both temporary and permanent prohibitory injunctions restraining NDL and the other defendants from disturbing their possession or from creating any obstruction or hindrance to their use of the aforementioned property. In response to the application filed for a temporary injunction, the Civil Judge, Junior Division has refused to grant the temporary injunction. Against the order passed by the Civil Judge Junior Division, the plaintiffs have preferred an appeal (Miscellaneous Civil Appeal No. 48 of 2009 in the Court of the Additional District Judge, Kalyan) before the Additional District Judge, Kalyan. The appeal matter is due to come up on February 15, 2010. The Civil Suit no. 75 of 2009 is due to come up for hearing on January 21, 2010.
2. Balkrishna Industries Limited ("BIL") has filed a suit against M/s. Neptune Builders (the suit was intended against our Company and summons were effectively served upon the Company) (Regular Civil Suit No. 319 of 2009 in the court of the Civil Judge, Junior Division, Kalyan) with respect to certain work being conducted by NDL on a road in the vicinity of BIL's property at S. No. 8, H. No. 20, Ambivali, Taluk Kalyan, District Thane, Maharashtra. BIL has alleged that the work on the road being carried out by NDL has encroached on an area admeasuring 16,000 sq. ft. of the aforementioned property. BIL has sought both temporary and permanent injunctions prohibiting our Company from continuing the road construction activity on the grounds that such construction activity is ostensibly encroaching on their property. Our Company and the Kalyan Dombivili Mahanagar Palika have denied any such encroachment. The injunction application has been decided in favour of the plaintiff by the Civil Judge, Junior Division, Kalyan via its order dated July 15, 2009. The matter is currently pending before the Civil Judge, Junior Division, Kalyan. The matter is due to come up for hearing on February 1, 2010.

Outstanding litigations and material proceedings by the Company

There are no pending litigations and/or material proceedings filed by the Company.

Outstanding proceedings initiated against our Company for economic offences

There are no outstanding proceedings initiated against our Company for economic offences.

Adverse findings in respect to our Company as regards compliance with the securities laws

There are no adverse findings in respect to our Company as regards compliance with the securities laws.

Details of past penalties imposed on our Company

There are no past penalties as imposed on our Company.

Outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of our Company, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act

Except as disclosed in this section, there are no outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of our Company, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act.

Outstanding litigations against other companies whose outcome could have an adverse effect on our Company

Except as disclosed in this section, there are no outstanding litigations against other companies whose outcome could have an adverse effect on our Company.

Disciplinary action taken by the Board/Stock Exchanges against our Company

There is no disciplinary action taken by the Board/Stock Exchanges against our Company.

Potential proceedings involving the Company

The Company is in the process of filing a compounding application with the RoC under Section 621A of the Companies Act for violation of the provisions of Section 297 of the Companies Act, for which the penalty is unquantifiable. We believe the Company shall file the aforesaid compounding application within 30 days from the date of this Draft Red Herring Prospectus. The RoC may at its discretion order to rectify the default with or without payment of penalty. We shall update with the status of the aforesaid compounding application at the time of filing of the Red Herring Prospectus with SEBI and RoC.

III. Directors of our Company

Outstanding litigations and material proceedings involving the Directors of our Company

Nayan Bheda and Sachin Deshmukh are also impleaded in the suit between Riba Constructions Pvt Ltd (“RCPL”) and Neptune Enclave Pvt Ltd (“NEPL”) described below, in their capacities as directors of NEPL, and the details of the same are mentioned in the section titled “Associate Companies - Litigation against Associates” beginning on page 206 of this Draft Red Herring Prospectus.

Other proceedings involving the Directors

Except as disclosed herein, there are no outstanding proceedings involving the Directors.

Outstanding proceedings initiated against the Directors of our Company for economic offences

There are no outstanding proceedings initiated against the Directors of our Company for economic offences.

Criminal/civil proceedings against the Directors of our Company for any litigation towards tax liabilities

There are no criminal/civil proceedings against the Directors of our Company for any litigation towards tax liabilities.

Details of past penalties imposed on the Directors of our Company

There are no past penalties as imposed on the Directors of our Company.

Disciplinary action taken by the Board/Stock Exchanges against the Directors of our Company

There is no disciplinary action taken by the Board/Stock Exchanges against the Directors of our Company.

IV. Promoters

Outstanding litigations and material proceedings involving the Promoters of our Company

Mr. Pramod Valmik Jadhav has filed a first information report (“FIR”) on April 17, 2009 (FIR No. I/33 of 2009) against Mr. Mahesh Shetty and others at the Igatpuri Police Station, Igatpuri, Nashik District, Maharashtra alleging unlawful assembly, rioting, rioting when armed with a deadly weapon and wrongful confinement against the several persons. No specific accused are named in the FIR. However, Mr. Mahesh Shetty was arrested for the said offences and is presently released on bail for the aforementioned offences via an order of the Judicial Magistrate First Class, Junior Division, Igatpuri, dated November 3, 2009. No charge-sheet has yet been filed with reference to the FIR.

The Bombay Mercantile Co-operative Bank through the manager of its Kemps Corner Branch, Saiyed Mohsin Hussain has filed a criminal complaint against Firoz Ahmed Gulam Ali Noorani (former manager of the aforementioned Kemps Corner Branch) and others, *inter alia* including Nayan Shah, Promoter of the Company (Case No. 53/S/2000 in the Court of the Metropolitan Magistrate at Bombay). The allegations are of cheating and dishonesty to induce delivery of property, criminal breach of trust, criminal breach of trust by a public servant, banker, merchant or agent, forgery, forgery of a valuable security and using as genuine a forged document or electronic record. Noorani is accused of granting bogus loans to certain other accused including Nayan Shah. The loan amount provided to

Nayan Shah is Rs. 700,000. The matter is pending in the Court of the Metropolitan Magistrate at Bombay. The matter is due to come up on January 21, 2010.

Other litigation involving Promoters

Nayan Bheda and Sachin Deshmukh are also impleaded in the suit between RCPL and NEPL described above, in their capacities as directors of NEPL. Animesh Dharamsi is also impleaded in the suit between RCPL and NEPL described above, however, the suit documents erroneously state that he is a director of NEPL.

Other proceedings involving Promoters

Except as disclosed herein, there are no outstanding proceedings involving the Promoters.

Adverse findings in respect to the Promoters as regards compliance with the securities laws

There are no adverse findings in respect to the Promoters as regards compliance with the securities laws.

Details of past penalties imposed on the Promoters

There are no past penalties as imposed on the Promoters.

Outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of the Promoters, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act

Except as disclosed in this section, there are no outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of our Promoters, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act.

Outstanding litigations against other companies whose outcome could have an adverse effect on the Promoters

Except as disclosed in this section, there are no outstanding litigations against other companies whose outcome could have an adverse effect on the Promoters.

Disciplinary action taken by the Board/Stock Exchanges against the Promoters

There is no disciplinary action taken by the Board/Stock Exchanges against the Promoters.

Outstanding litigations, defaults/overdues or labour problems/closure faced by the Promoters

There are no outstanding litigations, defaults/overdues or labour problems/closure faced by the Promoters.

V. Group Companies

Outstanding litigations and material proceedings involving the Group Companies

Master Cherrin Lapasia through his natural guardian filed a consumer complaint No. 78 of 2006 against Mahesh Tutorials, Mulund with the District Consumer Dispute Redressal Forum, Bandra. Master Cherrin Lapasia attended classes till 70 % of portion was completed and failed in one of the unit test conducted in the classes. Thereafter he stopped coming to the classes and filed a consumer complaint for deficiency of services. The monetary claim of the consumer complaint is Rs. 617,032, which includes Rs. 500,000 as compensation. The matter was argued on December 17, 2009 and the order in the case is expected in due course of time.

Adverse findings in respect to the Group Companies as regards compliance with the securities laws

There are no adverse findings in respect to the Group Companies as regards compliance with the securities laws.

Details of past penalties imposed on the Group Companies

There are no past penalties as imposed on the Group Companies.

Outstanding litigation defaults, etc pertaining to matter likely to affect operations and finances of the Group Companies, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act

Except as disclosed in this section, there are no outstanding litigation defaults etc pertaining to matter likely to affect operations and finances of the Group Companies, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act.

Outstanding litigations against other companies whose outcome could have an adverse effect on the Group Companies

Except as disclosed in this section, there are no outstanding litigations against other companies whose outcome could have an adverse effect on the Group Companies.

Disciplinary action taken by the Board/Stock Exchanges against the Group Companies

There is no disciplinary action taken by the Board/Stock Exchanges against the Group Companies.

Outstanding litigations, defaults/overdues or labour problems/closure faced by the Group Companies

There are no outstanding litigations, defaults/overdues or labour problems/closure faced by the Group Companies.

VI. Subsidiaries Companies

Litigations against Subsidiaries

Except as disclosed in this section, there are no litigations against the Subsidiaries.

Neptune Ventures and Developers Private Limited

1. Raja G. Hadikyal has filed a consumer complaint against Neptune Ventures and Developers Private Limited ("NVDPL") (when the same was a partnership in the name and style of Neptune Enterprises) (Consumer Complaint No. 79 of 2007 in the State Consumer Disputes Redressal Commission, Maharashtra at Mumbai). The complainant alleges that the complainant had booked apartment No. 2003 at Orchid View by paying an amount of Rs. 50,001. After booking the flat, NVDPL has informed the complainant that they are waiting for an approval. Hence the complainant offered to take a flat of similar area in one of the adjoining buildings. However, in terms of the complaint, NVDPL has taken no action in this regard. Further, the complainant has also filed injunction application No. 509 of 2008 which is pending before the State Consumer Redressal Forum, Maharashtra. The complainant has prayed that the aforementioned apartment be allocated to him for a consideration of Rs. 6,781,090 as he alleges that the same was mentioned in a schedule of payments provided to him at the time of paying the aforementioned advance amount. He has further prayed that in the alternative, some other apartment or apartments of equivalent area be allotted to him. The matter is due to come up on February 18, 2010.
2. Abdul Rashid Abdul Rehman Yusuf (executor of Sir Mohammed Yusuf Khot Estate) has filed a tenancy eviction suit and a tenancy declaration suit against NVDPL (when the same was a partnership in the name and style of Neptune Enterprises) and others (Tenancy Eviction Suit No. 174 of 2005 and Tenancy Declaration Suit No. 164 of 2005 in the Court of Small Causes at Bombay) for the declaration of tenancy and eviction. NVDPL acquired the property from IDBI and IFCI wide public auction. The plaintiff has filed interim applications for the grant of temporary injunctions to prevent NVDPL from carrying on construction activities at CTS No. 372, 372/1-65 at Village, Kanjur, Mumbai, Maharashtra. The interim applications have been dismissed by the Court of Small Causes at Bombay *vide* order dated December 5, 2006 and the plaintiff has preferred appeals against the said orders (Appeal No. 133 of 2006 and Appeal No. 134 of 2006 in Court of Small Causes at Bombay). The appeals were disposed off as infructuous since the suit was dismissed by default for want of prosecution by an order of the Court of Small Causes at Bombay dated August 25, 2006. The suit has now been restored by way of a Restoration Order dated July 16, 2009 (Miscellaneous Application No. 90 and 91 of 2008). The suit is pending in the Court of Small Causes, Bombay and is due to come up February 18, 2010 for filing of the evidence, and no steps have been taken by the plaintiff for restoration of the said appeals till date.

3. The Leo Group of Companies and others have filed a suit against NVDPL (when the same was a partnership in the name and style of Neptune Enterprises) (Suit No. 959 of 2006 in the High Court of Judicature at Bombay) for declaration of tenancy and possession. NVDPL acquired certain property from GKWL. The plaintiff has made notice of motion (No. 3670/06), for a temporary prohibitory injunction to prevent NVDPL from carrying on construction activities at CTS No. 372, 372/1-65, at Village Kanjur and Bhandup, Mumbai, Maharashtra. This notice of motion has been duly rejected by the High Court of Judicature at Bombay *vide* court order dated October 22, 2006. The plaintiff has alleged that the aforementioned property is in the ownership and possession of the heirs of Mohammed Yusuf Khot and that NVDPL should be restrained from developing the same. The said notice of motion was dismissed by the High Court of Judicature at Bombay *vide* order dated October 22, 2006. The suit is pending in the High Court of Judicature at Bombay. The matter shall come up in due course of time.

Litigations by Subsidiaries

There are no litigations by the Subsidiaries.

VII. Associate Companies

Litigations against Associates

Neptune Enclave Private Limited

1. Erakala Krishna and others had filed a suit against the Mandala Revenue Officer, Serilingampally and others (OS No. 44 of 1987 in the court of the II Additional Senior Civil Judge, Ranga Reddy District at LB Nagar) for a declaration that the plaintiffs are the owners of 20 acres of land out of property admeasuring 51 acres and 6 guntas situated at Pakkalavada Village, Serilingampally, District Ranga Reddy, Andhra Pradesh and for a grant of a permanent injunction preventing the Group Company from developing the land. The said property was allotted by the Government of Andhra Pradesh to the Hyderabad Urban Development Authority. The II Additional Senior Civil Judge by way of his judgment dated June 5, 2000 rejected the claim of the plaintiffs. The matter was appealed in the High Court of Andhra Pradesh (AS No. 1512 of 2000) by the aforementioned plaintiffs. On September 17, 2007, HUDA held a public auction for the said property and NEPL had the highest bid for 8 Acres and 2 Guntas of the said property for which it has paid in full a consideration of Rs. 803,604,000. NEPL was subsequently impleaded in AS No. 1512 of 2000. No injunction or declaratory order, however, has been passed for the halting of the construction activities at the project site. The matter is pending in the High Court of Andhra Pradesh. The appeal shall come up in due course of time.
2. RCPL has filed a summary suit against NEPL and the directors of NEPL, some of who are promoters of the Company (OS No. 418 of 2009 in the Court of the Chief Judge, City Civil Court at Hyderabad) with respect to a dispute between the two parties regarding payment of outstanding amounts to be paid by NEPL to RCPL for certain excavation work. RCPL alleges that NEPL has paid RCPL Rs. 297,690. RCPL has prayed for the payment of a sum of Rs. 7,088,552 along with 'future interest' at 2.5% per month and that the TDS certificates for a value of Rs. 380,466 be handed over to RCPL. The matter is pending in the Court of the Chief Judge, City Civil Court, Hyderabad. The matter is due to come up on December 30, 2009.

Litigations by Associates

There are no litigations by the Associates.

Other proceedings filed by the Associates

Except as disclosed herein, there are no outstanding proceedings involving the Associates.

VIII. Outstanding dues to small scale undertakings or any creditors

There are no dues over Rs. 100,000 to small scale undertakings or any creditors by our Company, which is outstanding for more than 30 days.

IX. Material developments since the last balance sheet

Except as disclosed in the section titled “**Management’s Discussion and Analysis of Financial Conditions and Results of Operations as Reflected in the Financial Statements**” beginning on page 176, there are no material developments which would affect the business and operations of our Company and Subsidiaries.

Government and Other Approvals

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities and except as mentioned below, no further major approvals are required for carrying on our present business activities or to undertake the Issue. We have also applied to the concerned governmental authorities for approvals as required to be obtained to continue our activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

For further details in this regard, see section titled “Regulations and Policies” beginning on page 98 of this Draft Red Herring Prospectus.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

Corporate Approvals

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on December 22, 2009, authorised the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, such other authorities as may be necessary.
2. The shareholders of our Company have pursuant to a resolution dated December 23, 2009, under Section 81(1A) of the Companies Act, authorised the Issue.
3. The Selling Shareholder has authorised the transfer of 3,166,498 Equity Shares the Offer for Sale pursuant to a circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of its Trustee, IL&FS Trust Company Limited.

Approvals from the Stock Exchanges

4. Approval from the National Stock Exchange of India Limited dated [●].
5. Approval from the Bombay Stock Exchange Limited dated [●].

Contractual Approvals

6. Our Company has also obtained the necessary contractual approvals required for this Issue.

Approval from the RBI

7. Our Company intends to seek confirmation from the RBI before the filing of the Red Herring Prospectus to permit FIIs and NRIs to subscribe to equity shares in the Issue under the portfolio investment scheme and that Press Note 2 (2005 Series) is not applicable to investments by FIIs in initial public offerings. Further, our Company also intends to seek necessary approval from the RBI for transfer of the Equity Shares forming part of the Offer for Sale in the Issue. To that effect, we have filed an application with the RBI on December 29, 2009 for the purpose of seeking confirmation on the aspect the Press Note 2 (2005 Series) is not applicable to investments by FIIs in initial public offerings.

APPROVALS TO CARRY ON OUR BUSINESS

TAX APPROVALS

Described below are the Permanent Account Number (“PAN”) and Tax Deduction Account Number (“TAN”) obtained by the Company or in the process of undertaking various development and construction.

Name of the registration	No.	Effective date	Name of issuing authority	Valid until
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Permanent Account Number	AACCN0234C	July 15, 2004	Income Tax Authority	Valid until cancellation
Tax Deduction Account Number	MUMN14376F	January 13, 2007	Income Tax Authority	Valid until cancellation
Service Tax No.	AACCN0234CST001	October 3, 2007	Service Tax office, Mumbai,	Valid until cancellation

APPROVALS FOR OUR PROJECTS

We require various approvals to carry on our construction and development activities. We have undertaken and/ or are in the process of developing various projects, which can be divided into following categories:

- A. Residential projects
- B. Retail Projects
- C. IT Parks/ Commercial Projects

Our projects are being developed on freehold land owned by us or by our Subsidiaries or our joint venture companies or on leasehold land in respect of which leasehold rights are held by us or by our Subsidiaries or our joint venture companies. Also, some of our projects are being developed under development and/or joint development agreements. For our projects we have obtained and in some cases are in the process of obtaining the following government approvals:

- Intimation of Disapproval (“**IOD**”)-This is given for each individual building on any plot. This gives approval to a detailed plan for that building thereby finalizing all the detail parameters of that particular building.
- Commencement Certificate (“**CC**”)-This gives us permission to commence the work on site.
- Further Commencement Certificate-This is issued after completion of the plinth of any building or Stilt slab where the building comprises Stilt and upper floors. This permits us to commence work on the upper floors to the terrace of the building unless specified otherwise. The Commencement Certificate is stamped at various project levels by the authority.
- Occupation Certificate -This is issued after the entire construction work on site is completed and the structure is fit for occupation by complying with all the conditions.

Please note that the above process applies only in the State of Maharashtra and different procedures would be required to be followed in different States.

A) RESIDENTIAL PROJECTS

1. Harmony, Mulund, Mumbai

Approvals obtained

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
1.	Occupation Certificate	CE/4653/BPES/AT	Executive Engineer, Building Proposal Eastern Suburbs, Mumbai	January 16, 2007	Not Applicable

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

2. Neptune Living Point, Bhandup, Mumbai

Approvals obtained

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
I.	The Letter of Intent issued by the Additional Collector was revalidated from 9th March, 2003 to	C/ULC/D-III/22/5617	Office of the Additional	October 24, 2005	Not Applicable

	9th March, 2007 for an area of 65,449.13 sq. meters and the remaining area of 22,850.76 sq. meters being under objection by M/s. Leo Group of Companies and was pending decision.		Collector & C.A. (ULC) Greater Mumbai		
2.	Completion Certificate for the approval of the completion of sewage treatment plant for residential building no. 1 on Plot No. 372, 372/1 to 65 at Bhandup.	DYCHE/4834/ENV	Deputy Chief Engineer, Building Proposals, Eastern Suburbs, Mumbai	February 24, 2009	Not Applicable
3.	Provisional Permission to bore a Tube Well.	IO/4563/SR	Insecticide Officer	March 22, 2006	Not Applicable
4.	NOC for part occupation permission for proposed High Rise Residential building no. 1 from fire safety point of view on the property. A to C wing 1 to 22 floors	FB/HR/E5/67	Deputy Chief Fire Officer, Brihanmumbai Mahanagarpalika	August 10, 2009	Not Applicable
5.	Comments on the actual demarcation and zoning without any prejudice to the status of the structures on the land.	CHE/251/DP/ES	Executive Engineer, Building Proposals, Eastern Suburbs, Mumbai	April 23, 1995	Not Applicable
6.	Approval for carrying out Drainage work as shown in the drainage plan.	CE/530/BPES/AS	Assistant Engineer, Building Proposals, Eastern Suburbs, Mumbai	February 17, 2009	Not Applicable
7.	Confirmation as to completion of drainage work pursuant to the drainage plans	CE/530/BPES/AS	Assistant Engineer, Building Proposals, Eastern Suburbs, Mumbai	February 27, 2009	Not Applicable
8.	IOD for the proposed building no. 1 on plot no. 372, 372/1-65 at Bhandup	E.B./CE/530/BPES/BS/AS	Executive Engineer, Building Proposals, Eastern Suburbs, Mumbai	October 29, 2005	October 28, 2006
9.	Consent to establish M/s. Neptune Enterprises CTS No. 372,372/1 to 65, Village-Kanjur at Bhandup (W), Mumbai for development of land as new construction activities.	Consent No. BO/RO (P&P)/719	Maharashtra Pollution Control Board	November 17, 2006	Consent to establish is valid upto completion of the project
10.	Occupation Certificate in the name of M/s. Neptune Enterprises for 6 buildings and podium.	CE/530/BPES/AS	Executive Engineer, Building Proposals, Eastern Suburbs, Mumbai	August 17, 2009	Not Applicable

3. Neptune Swarajya, Ambivali, Kalyan - Retail cum Residential Project

Approvals obtained

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
1.	CC for construction of land bearing S. No. 4/1 to 4/5, 4/6/2, 4/7 to 4/10, 4/12, 4/14 and 5/1 to 5/2	KDMC/TPD/CP/OD/489-172	Kalyan Dombivali Municipal Corporation	October 16, 2009	October 15, 2010
2.	Conditional NOC to Assistant Director / Town Planner (Sector II)	KDMC/KFB/88(2)/09-10	Deputy Chief Fire Officer, Kalyan Dombivali Municipal Corporation	April 22, 2009	Not Applicable
3.	Conditional NOC to Assistant Director / Town Planner (Sector I)	KDMC/KFB/88(1)/09-10	Deputy Chief Fire Officer, Kalyan Dombivali Municipal Corporation	April 22, 2009	Not Applicable
4.	IOD for construction of land bearing S. No. 4/1 to 4/5, 4/6/2, 4/7 to 4/10, 4/12, 4/14 and 5/1 to 5/2	KDMC/TPD/CP/OD/602-282	Kalyan Dombivali Municipal Corporation	March 26, 2009	March 25, 2010
5.	IOD for construction of land	KDMC/TPD/CP/OD/601-	Kalyan Dombivali	March 26, 2009	March 25, 2010

	bearing S. No. 75, Hissa No. – S. No. 76/8, 9 P. 10, S. No. 2/3 (Sector II)	281	Municipal Corporation		
6.	NA Order for Plot bearing S. No. 4/1 to 5, 6/2, 7 to 10, 12, 14 and S. No. 5/1, 5/2 (Sector I)	No. Revenue / Desk -1 / T-7/NAP/SR-80/2009	Collector, Thane	August 01, 2009	Not Applicable
7.	NA Order for Plot bearing S. No. 75, 76/8 to 10, S. No. 2/3 (Sector II)	No. Revenue / Desk -1 / T-7/NAP/SR-79/2009	Collector, Thane	August 01, 2009	Not Applicable
8.	Approval from water supply department (Sector I)	KDMC/UA/PAP/TV/174	Kalyan-Dombivli Municipal Corporation, Kalyan	July 10, 2009	Not Applicable
9.	NOC for no tax assessment for sector no. 1	KDMC/AWA/Kar/383	Kalyan-Dombivli Municipal Corporation, Kalyan	July 10, 2009	Not Applicable
10.	NOC for no tax assessment for sector no. 2	KDMC/AWA/Kar/384	Kalyan-Dombivli Municipal Corporation, Kalyan	July 10, 2009	Not Applicable
11.	Approval from water supply department (Sector II)	KDMC/UA/PAP/TV/175	Kalyan-Dombivli Municipal Corporation, Kalyan	July 10, 2009	Not Applicable

Approvals in respect of which applications have been made and are pending:

S no.	Description	Authority	Date of Application
1.	Tree cutting NOC	Garden Officer, Kalyan Dombivli Mahanagar Palika, Kalyan	June 29, 2009
2.	Application by Architect Jatin Chaudhari on behalf of the Company for Commencement Certificate for the proposed development on plot bearing S. No. 76 H. No. 8,9(P), 10; S. No. 75, S. No. 2 Hissa No. 3(P) at village Ambivali.	Kalyan-Dombivli Municipal Authority	September 19, 2009
3.	Drainage Approval	Kalyan-Dombivli Municipal Authority	August 28, 2009
4.	Application for conversion of land use from agricultural to non-agricultural for plot bearing Survey No. 73/4, 76/4, 76/5, 73/22, /49//2, 83/3A, 76/45, 73/18, 49/5, 53/1, 53/4, 8/14, 44/9B, 44/9C, 50/4, 7/1, 7/6, 84/6, 86/3, 66/4, 89/4, 89/6, 89/7 and 90/3.	Collector, Thane	December 5, 2009
5.	Application for conversion of land use from agricultural to non-agricultural for plot bearing Survey No. 69, 68/2, 67/5, 87/3, 76/14, 76/37, 78/5, 63, 78/4, 74/18, 79/3, 79/4, 2/6, 71/12, 65/6, 80/2, 2/5/3/1, 87/1, 68/4, 65/13, 76/34, 79/1, 67/7 and 67	Collector, Thane	November 7, 2009
6.	Application for conversion of land use from agricultural to non-agricultural for plot bearing Survey No. 96/3, 96/5, 95(p), 89/4, 88/26, 88/28, 82/5, 92/9, 97/1 + 2A, 1/9, 9/3, 70/2, 72/10, 85/3, 86/3, 86/5, 88/16, 89/5, 91/4(P) and 94/6	Collector, Thane	December 5, 2009

4. Jubilee 800, Tanasha Nagar, Hyderabad

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

5. Euclid Towers, Bhandup, Mumbai

Approvals obtained

Description	Reference number	Issuing Authority	Date of issue	Date of expiry
Conversion of land usage from agricultural to non-agricultural	NOC/DL/I/LND- 202	Office of the Additional District Deputy Collector, MSD, Andheri (W), Mumbai	December 31, 2007	Not applicable

Approvals in respect of which applications have been made and are pending:

Description	Authority	Date of Application
Application for obtaining IOD for proposed Building no. 4 on plot bearing CTS No. 372, 372/1 to 65 of village Kanjur, Bhandup, Mumbai	Executive Engineer, Building Proposals Eastern Suburbs, Mumbai	May 7, 2009

6. Flying Kite, Bhandup, Mumbai**Approvals obtained**

The Company is yet to receive the approvals applied for, the details of which are mentioned below.

Approvals in respect of which applications have been made and are pending:

Description	Authority	Date of Application
Application for obtaining IOD for proposed Building no. 3 on plot bearing CTS No. 372, 372/1 to 65 of village Kanjur, Bhandup, Mumbai	Executive Engineer, Building Proposals Eastern Suburbs, Mumbai	May 7, 2009

7. Neptune Swarajya, Pune – Retail cum Residential Project**Approvals obtained**

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
1.	Irrigation NOC from Water Irrigation Department	O. No. Mu.a/ka-2/prasha-6/(241)/4542	Chief Engineer, Water Irrigation Department	September 01, 2009	Not Applicable

Approvals in respect of which applications have been made and are pending:

S No.	Description	Authority	Date of Application
1.	Application for Special Township Project	The Principal Secretary, Urban Development Department, Government of Maharashtra	October 10, 2008

8. Neptune Swarajya, Isasani, Nagpur –**Approvals obtained**

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
1.	Non Agricultural Order, approving the land use as non-agricultural.	Collector. OD – 2335 / 2007	Office of Collector, Nagpur	December 28, 2007	1 year from the date of approval of

		Out No. 196/NAP-34/2007-08			layout.
2.	Urban Land Ceiling Order	In case no. 117 / 2006	Additional Collector and Competent Officer, Urban Land Ceiling Holding, Nagpur	May 08, 2006	Not Applicable

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

9. Kochi

Approvals in respect of which applications have been made and are pending:

S No.	Description	Authority	Date of Application
1.	Application for conversion of land usage from agricultural to non-agricultural	Secretary, Office of Chengamanadu, Grama Panchayath, Puthuvassery, Nedumbassery P.O., Ernakulam district, Kerala	February 2, 2009

10. Visakhapatnam

Approvals obtained

Description	Reference number	Issuing Authority	Date of issue	Date of expiry
Final allotment letter	Rc. No. 549/07, P. No. 3 MWD.F1	Visakhapatnam Urban Development Authority	November 13, 2008	Not Applicable

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

B) RETAIL PROJECTS

1. Metro, Bhandup, Mumbai

Approvals obtained

Description	Reference number	Issuing Authority	Date of issue	Date of expiry
Grant of occupation certificate for Building no. 2, CTS No. 372/ 372/1 to 65, forming a part of Magnet Mall, Bhandup (details provided below)	CE/532/BPFS/AS	Executive Engineer, Building Proposals Easter Suburbs, Mumbai	March 11, 2008	Not applicable

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

2. Magnet Mall, Bhandup, Mumbai

Approvals obtained

S.	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
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No					
1.	Full CC as per the amended plans dated August 25, 2009, except part portion on South Side For Building no. 2 on plot 372 (pt), 372/1 to 65	CE/532/BPES/AS	Executive Engineer, Building Proposal Eastern Suburbs, Mumbai	August 25, 2009	August 25, 2010
2.	IOD for the proposed building no. 2 on the plot bearing CTS no. 372(pt), 372/1 to 65 at Bhandup.	CE/532/BPES/AS	Executive Engineer, Building Proposal Eastern Suburbs, Mumbai	April 25, 2006	April 24, 2007

Approvals in respect of which applications have been made and are pending:

Description	Authority	Date of Application
Application for locational NOC for the theatre from Police Department	Commissioner Police, Greater Mumbai	September 05, 2009

C) IT Parks/ Commercial Projects

1. Element, Thane, Mumbai

Approvals obtained

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
1.	CC in the name of M/s. Dosti Corporation & Neptune Developers to construct IT Park building on Plot No. F-3 & F-3/1 in Wagle Industrial Area.	MIDC/DE&PA-III/SPA/F-3&F-3/1/3274/2007	Deputy Engineer, Maharashtra Industrial Development Corporation, Division II, Thane	November 07, 2007	November 06, 2008 (The Applicant to commence construction work within 12 months from the date of issue of the certificate.)
2.	Grant of revised time schedule for Completion of Construction Works on the plots and obtaining Building Completion Certificate from the concerned authority upto November 30, 2009	MIDC/ROT/4485	Area Manager, Maharashtra Industrial Development Corporation, Regional Office Thane	September 01, 2009	Valid until cancellation
3.	Approval in the name of Dosti Corporation & Neptune Developers regarding the drainage plans for the proposed IT park.	MIDC/DE&PA-III/SPA/F-3&F-3/1/3275/2007	Deputy Engineer, Maharashtra Industrial Development Corporation, Division II, Thane	November 07, 2007	Not Applicable
4.	Order of Transfer of Lease from M/s. Firth (India) Steel Company Limited in favour of Dosti Corporation and Neptune Developers.	MIDC/ROT/THN/F-3&F-3/1/37337	Area Manager, Maharashtra Industrial Development Corporation, Regional Office Thane	November 30, 2006	Valid until cancellation
5.	Consent to establish M/s. Dosti Corporation (Business Park) Neptune Developers, land bearing plot no. F-3&F- 3/1, at MIDC Road No. 22, Wagle Estate, Thane.	Consent no. BO/RO(P&P)/EIC No. TN-1694-08/E/CC-442	Maharashtra Pollution Control Board	December 02, 2008	Consent to establish is valid upto commissioning of the project

2. Evolution, Kurla, Mumbai

Approvals obtained

S. No	Description	Reference number	Issuing Authority	Date of issue	Date of expiry
(a)	NOC for height clearance granted to Sachin Deshmukh, being Director of Neptune Realtors Private Limited for CTS.NO. 109A (pt), 109A/1,109A/2,109A/3(pt), 109A/4to7, 110(pt), 110/5(pt) (sector No.1) of village Kurla, Mumbai to build building 8.62 meter above ground level.	BT-1/NOCC/CS/MU/08/ 150/1806-09	Airport Authority of India	March 19, 2009	Not Applicable
(b)	NOC for height clearance to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited for CTS No. 109A (pt), 109A/8 to 12, 109A/13(pt), 109A/14(Pt), 110(pt) & 110/5(pt), 110/11(pt) (sector No.2) up to 11.71 meter above ground level.	BT-1/ NOCC /CS/MU /08/151 /1991-94	Airport Authority of India	March 19, 2009	Not Applicable
(c)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited for NOC for height clearance for CTS No. 109A(pt), 109A/3(pt),110(pt) & 110/5 (pt), 110/9(pt) (sector No.3) village Kurla upto 9.17 meter above ground level.	BT-1/ NOCC /CS/MU/08/152/15 12-15	Airport Authority of India	March 18, 2009	Not Applicable
(d)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited for NOC for height clearance for CTS.NO. 109A (pt), 109A/15(pt), 109A/16(pt), 109 A/17 to 19, 110(pt) & 110/5(pt), 110/9(pt), 110/11(pt) (sector 4) of village Kurla, Mumbai upto 12.03 meter above ground level.	BT-1/ NOCC /CS/MU/08/158/28 10-13	Airport Authority of India	March 30, 2009	Not Applicable
(e)	NOC for height clearance to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No.110 (pt), 110/5(pt), 110/6(pt).110/7,110/ 8(pt), 110/9(pt).(Sector No.5) village Kurla upto 14.11 meter above ground level.	BT-1/ NOCC /CS/MU /08/159/ 1516-19	Airport Authority of India	March 18, 2009	Not Applicable
(f)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No. 109A(pt), 109A/15(pt), 109 A/16(pt), 110(pt), 110/9(pt), 110/12, 110/13(pt) (Sector 6) of village Kurla, Mumbai upto 15.35 meters.	BT-1/ NOCC/CS/MU /08/160/2814-17	Airport Authority of India	March 30, 2009	Not Applicable
(g)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No. 109A(pt), 109A/15(pt), 109A/20(pt), 109A/21A,110(pt), 110/13(pt) (sector 8) of village Kurla upto 20.79 meters above ground level.	BT-1/ NOCC/CS/MU /08/164/ 2806-09	Airport Authority of India	March 30, 2009	Not Applicable
(h)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No. 110(pt), 110/1, 110/2(pt), 110/4, 110/06(pt)(Sector No.9) of village Kurla,	BT-1/ NOCC/CS/MU /08/165/ 1802-05	Airport Authority of India	March 19, 2009	Not Applicable

	Mumbai upto 20.81 meter.				
(i)	NOC for height clearance granted to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No. 109A(pt), 109A/20(pt), 110(pt) (Sector No. 10) of village Kurla, Mumbai upto 21.11 meter.	BT-1/ NOCC/CS/MU /08/167/ 1810-13	Airport Authority of India	March 19, 2009	Not Applicable
(ii)	NOC for height clearance granted bearing to Mr. Sachin Deshmukh, being Director of Neptune Realtors Private Limited CTS No. 109A(pt), 109A/20(pt), 110(pt) (Sector No. 11) village Kurla upto 24.22 meter.	BT-1/ NOCC /CS/MU /08/168/ 1520-23	Airport Authority of India	March 18, 2009	Not Applicable
(k)	Commencement Certificate for Plot Nos. 109-A, 109/A-1 to 20, 109-A/21-A. CC upto plinth level.	CE/4176/BPES/AL	Executive Engineer, Building Proposal, Eastern Suburbs, Mumbai	February 13, 2008	February 12, 2009
(l)	Letter to M/s. Daisaria Associates, Architect allowing the commercial use of the land bearing CTS No. 110, 110/1 to 13 of Village Kurla-II situated in Special Industrial Zone (I-3) subject to terms and conditions as stipulated in the said letter	CHE/576/ /DPES	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 13, 2005	Not Applicable
(m)	Letter to M/s. Daisaria Associates, Architect regarding the remarks on Development Plan and confirming that the land bearing CTS No. 110 and 116 is not reserved for any public purpose except for widening of existing roads and for a proposed road at the junction.	CHE/182/DPES	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	June 16, 2004	Not Applicable
(n)	Letter to M/s. Daisaria Associates, Architect giving clarifications and NOC on the debris management plan subject to terms and conditions mentioned therein.	/3110/	Executive Engineer, Building Proposal, Eastern Suburbs, Mumbai	August 12, 2008	Not Applicable
(o)	Letter to M/s. Daisaria Associates, Architect on the remarks on Development Plans submitted by the Architect.	CHE/142/DPES	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	December 11, 2006	Not Applicable
(p)	Letter to M/s. Daisaria Associates, Architect on the remarks regarding Drainage System, Nallas for the plot bearing CTS No. 109-A, 109-A/1 to 20, 109-A/21A of Village Kurla	Dy CHE/7542/SWD/ES	Executive Engineer, Building Proposal, Eastern Suburbs, Mumbai	May 16, 2008	Not Applicable
(q)	No due Certificate issued in the name of KEC International Ltd. Regarding the water charges bill of Connection No. E 6090007 for the period upto 31.03.06.	AEWW/215	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 17, 2006	Not Applicable
(r)	Letter addressed to KMA Limited giving permission for redevelopment of Property bearing CTS No. 110, 110/1 to 13 of Village Kurla subject to the terms and conditions mentioned in the said letter.	CULC/D.III/22/80 74	Office of the Additional Collector & C.A. (ULC) Greater Mumbai	December 30, 2005	Not Applicable
(s)	Order in favour of Kamani Engineering Limited exempting the land in excess of the ceiling limit.	ULC/K-118/M/IC/GAD	Office of the Additional Collector & C.A. (ULC) Greater Mumbai	March 9, 1975	Not Applicable
(t)	IOD in the name of Neptune Realtors Private Limited for the proposed building no. 2 on CTS no. 110, 110/1 to 13 of Village Kurla.	E.B.CE/4086/BPE S/AL	Executive Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 14, 2008	July 13, 2009
(u)	IOD in the name of Neptune Realtors Private Limited for the proposed building no. 1 on CTS no. 110, 110/1 to 13 of	E.B.CE/4085/BPE S/AL	Executive Engineer, Building Proposal, Eastern	July 07, 2008	Not Applicable

	Village Kurla.		Suburbs, Mumbai		
(v)	IOD in the name of Neptune Realtors Private Limited for the proposed building no. 3 on CTS no. 109-A, 109-A/1 to 20, 109-A/21-A of Village Kurla.	E.B.CE/4177/BPE S/AL	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 02, 2007	July 01, 2008
(w)	IOD in the name of Neptune Realtors Private Limited for the proposed building no. 2 on CTS no. 109-A, 109-A/1 to 20, 109-A/21-A of Village Kurla.	E.B.CE/4176/BPE S/AL	Assistant Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 02, 2007	July 01, 2008
(s)	IOD in the name of Neptune Realtors Private Limited for the proposed building no. 3 on plot bearing CTS No. 110, 110/1 to 13 of Village Kurla.	E.B.CE/4087/BPE S/AL	Executive Engineer, Building Proposal, Eastern Suburbs, Mumbai	July 11, 2008	July 10, 2009
(y)	Environmental clearance for Neptune Evolution at Kurla by Neptune Realtors Private Limited.	No.21-250/2008-I.A.III	Secretary, Government of Maharashtra, Environment Department	September 18, 2009	September 19, 2014.
(z)	NOC for allowing KEC Infrastructure Limited to transfer CTS No. 109A, 109A/1, 109A/21A of Village Kurla. Department granted redevelopment permission under Section 22 of ULC Act for 37039.10 sq. mtrs.	C/ULC/D III 8612	Office of Additional Collector & CA, ULC	February 07, 2007	Not Applicable
(aa)	Consent to establish M/s Neptune Realtors Pvt. Ltd. Plot No. 109, 109A1 to 109A/21A, 110 and 110/1 to 13, Kamani Kurla, Mumbai-400070	Consent No. BO/RO (P&P)/EIC No. MU-1043-08/E/CC-460	Maharashtra Pollution Control Board	December 15, 2008	Consent to establish is valid upto commissioning of the project
(bb)	Removal of the name of KEC International Limited from the record books on June 05, 2004.	SA SVA / Parwana / 13378 5B	The Directorate of Industrial Safety and Health	July 12, 2004	Not Applicable
(cc)	Letter to Labour Commissioner giving permission to issue NOC.	NO. NHP 2005 CASE NO. 4069	Chief Secretary, Government of Maharashtra	February 28, 2006	Not Applicable
(dd)	Letter to Commissioner of Municipal Corporation of Greater Mumbai intimating regarding the issuance of NOC to KEC International Limited.	NO. KaAa/NHP/CASE NO. 84 2005/Karyasan 22	Labour Commissioner	March 04, 2006	Not Applicable

Approvals in respect of which applications have been made and are pending:

Currently, there are no approvals for which applications have been made, or applications are pending.

INTELLECTUAL PROPERTY APPROVALS


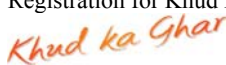

Trade Marks

Arrangement with Neptune Ventures and Developers Private Limited

As the trademark “Neptune Group” assigned by Neptune Enterprises (now known as Neptune Ventures and Developers Private Limited) in favour of Mr. Nayan Bheda and Mr. Sachin Deshmukh *vide* trademark assignment agreement January 27, 2006, has been licensed to our Company, through the trademark license agreement dated December 18, 2009 with Mr. Nayan Bheda and Mr. Sachin Deshmukh, pursuant to which our Company has the right to use the same in relation to our business activities. Our Company is required to pay an amount of Rs. 1 as the one-time license fee to Mr. Nayan Bheda and Mr. Sachin Deshmukh.

Approvals applied for

We have applied to the Trademark Registry, Government of India for registration of the following trademarks under the provisions of the Trademark Act, 1999 and the Trademark Rules, 2002:

S. No.	Approval sought	Issuing Authority	Reference	Date of application
(iv)	Registration for Neptune Swarajya logo  in class 37	Trademarks Registry, Mumbai	1856016	August 28, 2009
(v)	Registration for Khud Ka Ghar logo  in class 37	Trademarks Registry, Mumbai	1856017	August 28, 2009
(vi)	Registration for Khud Ka Ghar logo  in class 37	Trademarks Registry, Mumbai	1856018	August 28, 2009

REGISTRATIONS

We have obtained registration from various government authorities as required under the Stage Government laws:

Bombay Shops and Establishment Act, 1948

S. No.	Name of entity	Type of registration	Registration no.	Date of grant	Valid upto
1.	Neptune Developers Limited	Registration certificate of establishment - Bombay Shops and Establishment Act, 1948	760054370	May 31, 2008	December 31, 2010

The Maharashtra State Tax on Professionals, Trades, Callings and Employments Act, 1975

S. No.	Name of entity	Type of registration	Registration no.	Date of grant
1.	Neptune Developers Limited	Certificate of Registration - The Maharashtra State Tax on Professionals, Trades, Callings and Employments Act, 1975	PTRC Number: 27945211629P	December 02, 2008

Employees' Provident Fund and Miscellaneous Provisions Act, 1952

S. No.	Name of entity	Reference No.	Allotment Code Number	Date of grant
1.	Neptune Developers Limited	MH/THN/202755/Enf/Circle II/1019	MH/THN/202755	September 12, 2006 (w.e.f. April 01, 2009)

Employees' State Insurance Act, 1948

Name of entity	Reference No.	Allotment Code Number	Date of grant
Neptune Developers Limited	No.B/COV/RL-6618/31000497770001009	31000497770001009	November 17, 2009

Other Regulatory and Statutory Disclosures

Authority for the Issue

Corporate Approvals

Our Board of Directors has, pursuant to resolutions passed at its meeting held on December 22, 2009, authorised the Fresh Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated December 23, 2009 under Section 81(1A) of the Companies Act, authorised the Fresh Issue.

Further, our Board of Directors has, pursuant to resolutions passed at its meeting held on December 22, 2009 authorised our Company to take necessary action for filing of the Draft Red Herring Prospectus with SEBI in line with the decision taken earlier by the Board of Directors and shareholders in their respective meetings.

The Selling Shareholder has authorised the transfer of 3,166,498 Equity Shares the Offer for Sale pursuant to a circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of its Trustee, IL&FS Trust Company Limited.

Approvals from Lenders

We have taken the requisite consents from all our lenders pursuant to the lending agreements whose details are referred to in the section titled “**Financial Indebtedness**” beginning on page 194 of this Draft Red Herring Prospectus.

Past RoC and RBI non compliances

1. There may have been certain delays in some of the filings/ reporting with the regulatory/statutory authorities.

There may have been certain delays in the filings/ return(s)/ form(s) with the RoC, which the Company is under a statutory obligation to report such as:

- Form No. 2 for allotment of 670,000 Zero% fully convertible preference shares on March 20, 2005 and 160,000 Zero% fully convertible preference shares on March 31, 2005 due on April 19, 2005 and April 30, 2005 respectively, was filed on June 6, 2005;
- Form No. 32 for appointment of Mr. Ramesh Jogani on April 1, 2008 as additional director due on April 30, 2008, was filed on May 7, 2008;
- Form No. 32 for cessation of company secretary on October 20, 2008, due on November 19, 2008 was filed on April 8, 2009 due to removal of membership number of deceased company secretary from the Institute of Company Secretaries of India.
- Form No. 32 for change in designation of Ramesh Jogani as director on September 29, 2008 was to be filed by October 28, 2008 but was filed on February 27, 2009.
- Form 23 for special resolution passed under section 314 for appointment of Mr. Chetan Bheda being relative of director, Mr. Nayan Bheda was filed on December 24, 2009. The Company is in the process of filing Form 24B for application to the Central Government under Section 314 of the Companies Act with respect to Mr. Chetan Bheda.

Such historical delays/non-compliances, if present, may result in penalties being levied by the concerned regulatory/statutory authorities/RoC, which may adversely affect the business and reputation of the Company.

2. There may have been certain delays in some of the filings/reporting with the RBI in relation to foreign investments in Company and associates.

With respect to the allotment of equity shares to non residents by the Company and its associates there may have been certain delays in filing requisite forms / reports with RBI through its authorised dealers.

3. **The Company did not have a whole time company secretary during the period October 21, 2008 to March 4, 2009.**

Due to the sudden demise of the incumbent company secretary on October 20, 2008, the position of the full time company secretary was vacant during the period mentioned above. The non-compliance for not appointing a whole time company secretary is in violation of the provisions of section 383A of the Companies Act. Failure to comply with the said provisions may be punishable with fine which may extend to Rs. 500 for every day during which the default continues.

Prohibition by SEBI

Our Company, Directors, Subsidiaries, Promoters, Promoter Group, Group Companies, or persons in control of our Company and the Selling Shareholder confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Promoters, Directors or persons in control of our Company was or is a promoter, directors or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

Except for Mr. Kamlesh Vikamsey, who is also a director at Axis Mutual Fund Trustee Limited and Mr. Nassereddin Munjee, who is also a director at Development Credit Bank Limited and HDFC Limited, none of our Directors are engaged in the business of securities market. Further, we confirm that neither SEBI nor any other authorities have initiated any action against such entities.

Prohibition by RBI

Our Company, Directors, Subsidiaries, Promoters, Promoter Group and the companies with which our Directors are associated as directors or promoters have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Eligibility for the Issue

The Company is eligible to undertake the Issue in terms of Regulation 26 (1) of the SEBI ICDR Regulations as explained in the eligibility criteria calculated in accordance with the financial statements under Indian GAAP. The details of compliance by the Company with the conditions stipulated under Regulation 26 (1) of the SEBI ICDR Regulations are as follows:

- a) Company has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty percent are held in monetary assets.
- b) Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years. Extraordinary items were not considered for calculating distributable profits.
- c) Company has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each)
- d) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year.
- e) Company has not changed its name within the last one year.

The distributable profits of the Company as per Section 205 of the Companies Act and its net worth for the last five financial years ended March 31, 2009, 2008, 2007, 2006 and 2005, as well as for the three months period ended June 30, 2009, as per the restated unconsolidated financial statements of the Company are as follows:

(Rs. million, except percentage values)

Particulars	For the three months ended June 30, 2009	For the financial year ended March 31,				
		2009	2008	2007	2006	2005
Distributable profits ⁽¹⁾	37.47	114.53	25.43	8.47	11.21	-

Net Worth ⁽²⁾	2562.25	2504.78	884.95	425.37	416.60	81.57
Net tangible assets ⁽³⁾	4562.22	4383.86	2816.66	544.02	483.17	81.58
Monetary assets ⁽⁴⁾	24.67	3.20	3.33	0.13	0.73	5.08
Monetary assets as a percentage of the net tangible assets (%)	0.54%	0.07%	0.12%	0.02%	0.15%	6.23%

- (1) 'Distributable profits' are based on restated unconsolidated financial statements in terms of Section 205 of the Companies Act, 1956. Extraordinary items were not considered for calculating distributable profits.
- (2) 'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
- (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.

Hence, we are eligible for the Issue under Regulation 26(1) of the SEBI ICDR Regulations.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2) (b) SCRR:

- (a) A minimum [●] Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- (b) 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
- (c) The Issue is made through the Book Building method with 60% of the Issue size allotted 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, ENAM SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 29, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- "(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.
- (II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE

STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- a) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE SEBI ICDR REGULATIONS, INSTRUCTIONS, ETC. ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA 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, SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (III) WE CONFIRM THAT, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
- (IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE NET WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- (V) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING OF DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
- (VI) WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
- (VII) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.
- (VIII) WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER REGULATION 32 OF SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, ARE NOT APPLICABLE TO THE ISSUER - NOT APPLICABLE.
- (IX) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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

COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

- (X) 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 SECTION 73(3) 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.
- (XI) WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE - NOT APPLICABLE.
- (XII) 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.
- (XIII) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
 - AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- (XIV) 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
- (XV) 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.
- (XVI) 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 THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 and Section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Fresh Issue. Similarly, the filing of the Red Herring Prospectus does not absolve the Selling Shareholder from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the Offer for Sale. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in the Red Herring Prospectus.

Disclaimer from our Company, the Selling Shareholder and the BRLM

Our Company, the Selling Shareholder, our Directors and 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 instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.neptunegroup.in would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the MoU entered into among the BRLM, the Selling Shareholder and the Company dated [●] and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and us.

All information shall be made available by us, the Selling Shareholder and 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 or at Bidding Centres, etc.

Our Company, the Selling Shareholder, the BRLM shall not be liable to the Bidders 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 our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. The Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

CAUTION:

Our Company, our Directors and the BRLM accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLM, our Company and the Selling Shareholder on [●] and the Underwriting Agreement to be entered into between the Underwriter, our Company and the Selling Shareholder.

The Selling Shareholder, its directors, affiliates, associates and their respective directors and officers accept no responsibility save to the limited extent of the Selling Shareholder Declaration appearing on page 306 of this Draft Red Herring Prospectus. All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be made 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 our Company, its Directors and officers, the Selling Shareholder, its directors affiliates, associates and their respective directors and officers nor any member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriter 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 and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the Underwriter 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.

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 majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including Eligible NRIs, Foreign Institutional Investors (“FIIs”) and other eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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, Maharashtra, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for observations. 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 our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post-scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus, prior to the RoC filings.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post-scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus, prior to the RoC filings.

Filing

A copy of the Draft Red Herring Prospectus shall be filed with SEBI at the Corporation Finance Department, Securities and Exchange Board of India, SEBI Bhawan, C - 4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai — 400 051, India.

A copy of this Draft 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 required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC.

Listing

Applications have been made to the NSE and BSE for permission to deal in and for an official quotation of the Equity Shares. [●] is the Designated Stock Exchange with which the basis of allocation will be finalised for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Selling Shareholder shall 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 our Company and the Selling Shareholder becomes liable to repay it (i.e., from the date of refusal or within [●] days from the date of Bid/Issue Closing Date, whichever is earlier), then our Company and the Selling Shareholder shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the date of allotment for the Issue.

Undertaking in relation to our Land Reserves

The Company undertakes to make continuous disclosures on stages of development on the material agreements that have been disclosed in this document to NSE and BSE on a continuous basis for the purpose of dissemination of information to the public.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b) **otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Manager to the Issue, and Syndicate Member, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to the Company, Legal Advisor to the Company and Legal Counsels to the Underwriters, the Advisors to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus. M/s. Shaparia & Mehta, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus. M/s. Shaparia & Mehta, Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in this 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 for the report provided by Sontyana Mohan Rao, Mahendra Salunkhe, Kishor K. Bhangde, Mothilal, Goda and Kalliat, Jagjiwandas Khimji Nathani, Ganu & Co and M. Vijaykumar, Advocates, certificates by Mandivala Qutub & Associates, Vijay Punjabi Consultants Private Limited, Icon Architects, Daisaria Associates and TEEARCH our Company has not obtained any expert opinions.

Issue Expenses

The expenses for this Issue include lead management fees, underwriting and selling commission, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, IPO Grading expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges. The details of the estimated Issue expenses are set forth below.

Activity	Rs. (In million)	% of the Issue Expenses	% of total Issue Size
Lead management fees	[●]	[●]	[●]
Underwriting and selling commission	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
SCSB commission	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
IPO Grading expenses*	[●]	[●]	[●]
Advisors	[●]	[●]	[●]

Book Running Lead Manager's, Registrar's, Depositories' and legal fees and expenses, bidding software and printing charges, shall be proportionately shared between the Company and the Selling Shareholder, and the remaining expenses shall be borne by our Company out of the Net Proceeds of the Fresh Issue.

Fees Payable to the Book Running Lead Manager and Syndicate Members

The total fees payable to the Book Running Lead Manager and Syndicate Members (including underwriting commission and selling commission) will be as stated in the Engagement Letter dated November 13, 2009 between our Company, Selling Shareholder and the BRLM, a copy of which is available for inspection at the corporate office of our Company and reimbursement of their out of pocket expenses.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue including fees for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register, etc. will be as per the MoU signed with our Company and the Selling Shareholder, a copy of which is available for inspection at the registered office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by [●] and has been assigned the “[●]” indicating [●], through its letter dated [●], which is valid for a period of [●]. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and an “IPO Grade 1” indicates poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees payable to the SCSBs

The total fees payable to the SCSBs will be as per the MoU among the Book Running Lead Manager, the Registrar to the Issue, our Company, the Selling Shareholder and the SCSBs dated [●] for the services rendered in uploading and processing the ASBA, a copy of which will be made available for inspection at our Registered Office.

Particulars regarding Public or Rights Issues during the Last Five Years

There have been no public or rights issue by our Company during the last five years.

Previous capital issue during the previous three years by listed Group Companies, Subsidiaries and associates of our Company

None of the Group Companies, Subsidiaries and associates of our Company is listed on any stock exchange.

Issues otherwise than for Cash

Except as stated in the sections titled “**Capital Structure**” beginning on page 28 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of our Equity Shares

Since this is the initial public issue of the 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 Company’s Equity Shares since inception.

Promise vs. Performance - Last Three Issues

There has not been any previous public issue of our Equity Shares.

Promise vs. Performance - Last Issue of Group/Associate Companies

Our Subsidiaries are unlisted and have not made a public issue of shares.

Outstanding Debentures, Bond, or Preference Shares

As on the date of filing this Draft Red Herring Prospectus, our Company does not have any redeemable preference shares, debentures or bonds outstanding.

Partly Paid-Up Shares

As on the date of filing this Draft Red Herring Prospectus, our Company does not have any partly paid-up shares.

Stock Market Data of our Equity Shares

The Equity Shares are not listed on any stock exchange and thus there is no stock market data for the same.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least six months 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 center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSBs where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by the Company, the Selling Shareholder or the Registrar to the Issue or the SCSBs 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.

We and the Selling Shareholder have appointed Ms. Siddhi Shah, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. She can be contacted at the following address:

Neptune Developers Limited

Neptune House, Karma Stambh Building,
3rd Floor, Opposite MTNL Office,
L.B.S. Marg, Vikhroli (W),
Mumbai – 400 083
Attn: Ms. Siddhi Shah
Tel: +91 22 6777 0600
Fax: +91 22 6777 0640
E-mail: compliance@neptunegroup.in

Mechanism for Redressal of Investor Grievances by Companies under the same management

For details regarding the mechanism for redressal of investor complaints for in regard to the listed companies under the same management for the period three years prior to the date of registering the Draft Red Herring Prospectus with the RoC, please see the section titled “**Promoters and Group Companies**” beginning on page 155 of this Draft Red Herring Prospectus.

Changes in Auditors

There has been no change in auditors in the last five Fiscals

Capitalisation of Reserves or Profits

Except as disclosed in the section titled “**Capital Structure**” beginning on page 28 of this Draft Red Herring Prospectus, we have not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company since its incorporation.

Purchase of Property

Other than as disclosed in the section titled “**Objects of the Issue**” beginning on page 47 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

Except as stated in the section titled “**Objects of the Issue**” beginning on page 47 of this Draft Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits. Please see the sections titled “**Financial Indebtedness**” and “**Financial Statements**” beginning on pages 194 and F-1, respectively of this Draft Red Herring Prospectus, for details of borrowings of our Company.

Tax Implications

Successful Bidders will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, see the section titled “**Statement of Tax Benefits**” beginning on page 59 of this Draft Red Herring Prospectus.

SECTION VII - OFFERING INFORMATION

Terms of the Issue

The Equity Shares being issued through the Issue are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, conditions of the RBI/FIPB approval, as and when applied for and received, the terms of the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications, rules and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by

- (i) a resolution of our Board dated December 22, 2009; and
- (ii) by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an EGM of the shareholders of our Company held on December 23, 2009;

The Selling Shareholder has authorised the transfer of 3,166,498 Equity Shares the Offer for Sale pursuant to a circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of its Trustee, IL&FS Trust Company Limited.

Our Company has obtained in-principle listing approvals dated [●] and [●] from the BSE and the NSE, respectively.

Compliance with SEBI ICDR Regulations

The Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section titled “**Main Provisions of the Articles of Association**” beginning on page 281 of this Draft Red Herring Prospectus.

Payment of dividend to the transferees pursuant to the Offer for Sale

In accordance with the provisions of the Companies Act, the transferees shall be entitled to the dividend for the entire year in the event the Company declares dividend. For further details, please see the section titled “**Dividend Policy**” beginning on page 175 of this Draft Red Herring Prospectus.

The Selling Shareholder, being the transferor of the Equity Shares in the Offer for Sale, shall be bearing the expenses of the Offer for Sale.

Mode of Payment of Dividend

The Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Floor Price is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company and the Selling Shareholder, in consultation with the

BRLM, advertised in all editions of [●] in English and of [●] in Marathi at least two working days prior to the Bid/Issue Opening Date.

Rights of the Equity Shareholder

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

- 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 subject to any statutory and other preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “**Main Provisions of the Articles of Association**” beginning on page 281 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR 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.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/ corporate office of our Company or to the Registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

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

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our 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.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra.

Minimum Subscription

If our Issuer does not receive the minimum subscription of ninety per cent of the Fresh Issue including devolvement of Underwriters, within sixty days from the Bid/Issue Closing Date, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. The Offer for Sale component will be considered only to the extent that the Fresh Issue and Offer for Sale together constitute 10% of the fully diluted post-Issue paid up share capital of the Company.

Any expense incurred by the Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to the Company.

The Equity Shares are being offered and sold outside of the United States in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the first date upon which the securities were *bona fide* offered to the public, an offer of the Equity Shares within the United States by a dealer may violate the registration requirements of the Securities Act.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000. If at least 60% of this Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

Each purchaser of the Equity Shares will be deemed to have made the acknowledgements, representations and agreements as described in "Transfer Restrictions" below.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

1. It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.
2. It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the Book Running Lead Manager, will have any liability for any such other information or representation.

3. We, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as stated above and as provided in our Articles of Association. See the section titled “**Main Provisions of our Articles of Association**” beginning on page 281 of this Draft Red Herring Prospectus.

Withdrawal of the Issue

Our Company and/or the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue in accordance with SEBI ICDR Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Further, in the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Issue Structure

The present Issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. 4,950 million.

Public issue of up to [●] Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs.4,950 million, comprising of the Fresh Issue of [●] Equity Shares by the Company and the Offer for Sale of up to 3,166,498 Equity Shares by the Selling Shareholder. The Issue shall constitute up to [●] approximately of the fully diluted post-Issue capital of our Company.

In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. However, upon the receipt of minimum subscription of 90% of the Fresh Issue; the balance subscription shall be first satisfied from the sale of Equity Shares in the Offer for Sale.

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

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares *	At least [●] Equity Shares	Not less than [●] Equity Shares or the Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or the Issue size less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Issue Size being allotted. However, not less than 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 shall be available for allocation	Not less than 30% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
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 and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue subject to applicable limits.	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
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 Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds registered with SEBI, FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual, venture capital funds registered with SEBI, state industrial development corporations, permitted insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250,000,000 and pension funds with minimum corpus of Rs. 250,000,000 in accordance with applicable law and National Investment Fund set up by Government of India.	Resident Indian individuals, Eligible NRIs ^{**} , HUF (in the name of <i>karta</i>), companies, corporate bodies, scientific institutions, societies, 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 <i>Karta</i>) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
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 to the Syndicate Members.	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members ^{##} .
Margin Amount	At least 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 available for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds, at or above the price at which allocation is being to Anchor Investors. For further details, please see the section titled “Issue Procedure” beginning on page 238 of this Draft Red Herring Prospectus. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum two Anchor Investors. An Anchor Investor shall make an application of at least Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investor and the balance shall be payable within two days of the Bid/Issue Closing Date.

In case of ASBA Bidders, the SCSBs 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 allotted 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 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 and the Selling Shareholder, in consultation with the BRLM.

- **** *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*
- ***** *After the Bid/ Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.*
- *#** *Subject to the receipt of relevant government approvals, Eligible NRIs and FIIs can participate in the Issue. It is to be distinctly understood that there is no reservation for NRIs and FIIs. FVCIs shall not be permitted to participate in the Issue.*

Letters of Allotment, Refund Orders or Instructions to SCSBs in case of ASBA Bidders

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Working Days from the date of the Allotment to all successful Allottees including ASBA Bidders which in any event shall not exceed 15 days of the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bidding/Issue Closing Date “Under Certificate of Posting” for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) 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.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refund orders or Allotment advice pertaining to the Equity Shares being offered through the Offer for Sale will be reimbursed by the Selling Shareholder to the Company in the manner as agreed between the Selling Shareholder and the Company.

Withdrawal of the Issue

The Company and the Selling Shareholder, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. 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.

In the event that the Company decides not to proceed with the Issue after Bid/Issue Closing Date, the Company would be required to file fresh draft red herring prospectus with SEBI.

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 CLOSING 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 (except ASBA Bidders) 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, 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 and Employees bidding under the Employee Reservation Portion, 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/ 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 timings 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 may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

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

The Company and the Selling Shareholder, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is 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. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price.

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

Issue Procedure

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI ICDR Regulations, this being an issue for less than 25% of the post-Issue paid-up equity capital of the Company, this Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be Allotted on a proportionate basis to QIBs. The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding Anchor Investor Portion). 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion 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 Allotted 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 Investor 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 its affiliate Syndicate Members. In case of QIB Bidders, the Company and the Selling Shareholder, 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 Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company and the Selling Shareholder would have a right to reject the Bids only on technical grounds.

The information below is given for the benefit of the Bidders. Information for the benefit of ASBA Bidders is provided further below under the section titled “**Issue Procedure for ASBA Bidders**”. Our Company, the Selling Shareholder and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein. Further, our Company, the Selling Shareholder and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications 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 applicable laws, regulations or approvals. Bidders are advised to make their own enquiries about the limits applicable to them.

Bid cum Application Form

Bidders (excluding ASBA 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, 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 and the Selling Shareholder to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

A resident Retail Individual Bidder can submit his Bid through an ASBA 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 ASBA Account specified in the ASBA 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 ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the “*Basis of Allocation*” and consequent transfer of the Bid Amount against the allocated Equity Shares to the ASBA Public Issue Account, or until withdrawal/failure of this Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the “*Basis of Allocation*” is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of this Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

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, excluding Anchor Investors	[●]
Eligible NRIs and FIIs applying on a repatriation basis, excluding Anchor Investors	[●]
Anchor Investors	[●]

The physical Bid cum Application Form for ASBA Bidders shall be [●] in colour.

In accordance with the SEBI ICDR Regulations, only Resident Retail Individual Investor can participate by way of ASBA process.

In accordance with SEBI ICDR Regulations, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- i. Persons eligible to invest under all applicable laws, rules, regulations and guidelines.
- ii. Indian nationals resident in India who are not minors in single or joint names (not more than three);
- iii. 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;
- iv. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- v. Mutual Funds registered with SEBI;
- vi. 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;
- vii. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- viii. FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- ix. Venture Capital Funds registered with SEBI;
- x. State Industrial Development Corporations;
- xi. 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;
- xii. Scientific and/or industrial research organisations authorised to invest in equity shares;
- xiii. Insurance companies registered with Insurance Regulatory and Development Authority;
- xiv. Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- xv. Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- xvi. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals; and
- xvii. National Investment Fund set up by Government of India.

Foreign venture capital investors, multilateral and bilateral development financial institutions shall not be permitted to participate in the Issue.

Subject to the receipt of relevant government approvals, Eligible NRIs and FIIs can participate in the Issue. It is to be distinctly understood that there is no reservation for NRIs and FIIs. FVCIs shall not be permitted to participate in the Issue.

As per the existing regulations, OCBs cannot participate in this Issue.

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 bidding in the QIB Portion 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 is at least Rs. 100 million and in multiples of [●] Equity Shares thereafter. 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 Corporate/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.
- (f) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share. The Bidders can Bid at any price within the Price Band, in multiples of [●] Equity Shares. In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholder, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/Issue period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

Method and Process of Bidding

- (a) The Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in the SEBI ICDR Regulations. The Price Band and the minimum Bid lot will be decided by the Company and the Selling Shareholder, in consultation with the BRLM, and advertised

in the English language, in the Hindi language and in the regional language at least two 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 BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (c) 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 two national newspapers (one each in English and Hindi) and one regional newspaper 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.
- (d) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- (e) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details 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.
- (f) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids”.
- (g) Except in relation to the Bids received from the Anchor Investors, 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.
- (h) 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.
- (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**” beginning on page 246 of this Draft Red Herring Prospectus.
- (j) Our Company and the Selling Shareholder, in consultation with the BRLM, shall finalise the issue price within the price band without the prior approval of, or intimation to, the Bidders.

Bids at Different Price Levels and Revision of Bids

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price Band and Rs. [●] being the Cap Price. 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 will be decided by the Company and the Selling Shareholder, in consultation with the BRLM, and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the regional language at least two (2) working days prior to the Bid/ Issue Opening Date.

- (b) The Company and the Selling Shareholder, in consultation with the BRLM, reserve the right to revise the Price Band, during the Bid/Issue Period in accordance with SEBI ICDR Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (c) The Company and the Selling Shareholder, in consultation with the BRLM, can finalise the Issue Price and Anchor Investor Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.
- (d) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders 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 revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLM and the SCSBs and at the terminals of the members of the Syndicate.
- (g) 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 cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid 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 cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account. In any event the Company and the Selling Shareholder, 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.

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 dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company and the Selling Shareholder, the respective Depositories and the Registrar to the Issue:

- (a) Agreement dated [●] with NSDL, the Company, the Selling Shareholder and the Registrar to the Issue;
- (b) Agreement dated [●] with CDSL, the Company, the Selling Shareholder 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 on the ground of being incomplete.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid-cum-Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares of the Company and the Selling Shareholder would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

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 mentioned in the Bid cum Application Form, except in the case of Central Government, State Government, and the officials appointed by the courts as per SEBI circular dated June 30, 2008.
- 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 Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIBs not submitted through the BRLM or its affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by US persons other than in reliance on Regulation S under the Securities Act;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by FVCIs, except FVCIs that are also FIIs;
- Bids by multilateral and bilateral development financial institutions;
- Bids not uploaded in the book would be rejected;
- Bids by persons who are not eligible to acquire Equity Shares in terms of any applicable law, rule, regulation, guideline or approval;
- Bids for allotment of Equity Shares in physical form; and
- Bids by OCBs.

Applications by Mutual Funds

Under the SEBI ICDR Regulations, at least one-third of the Anchor Investor Portion, will be available for allocation to Mutual Funds only on a discretionary basis and 5% of the QIB Portion (excluding Anchor Investor Portion) have been specifically reserved for Mutual Funds on a proportionate basis. 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.

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. The applications made by asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the application is being 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.

Application by ASBA investors

For details on, *inter alia*, application by ASBA investors, see section titled "Issue Procedure for ASBA Bidders" beginning on page 238 of this Draft Red Herring Prospectus.

Applications by Eligible NRIs

- A. Bid cum Application Forms have been made available for Eligible NRIs at our corporate/registered office and with members of the Syndicate.
- B. 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.

Participation by Associates of the BRLM

The BRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except as provided above. 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 Syndicate Members shall not be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Member, who are QIBs and who manage third party funds, such as Mutual Funds, insurance companies and scheduled commercial banks, may subscribe to or purchase Equity Shares in the Anchor Investor Portion.

The BRLM and any person related to the BRLM, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

Bids by Provident Funds

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

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.

The Company will seek clarifications from the RBI for the investments by FIIs and NRIs in the Issue.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds Investors:

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 Bidders are advised to make their own enquiries about the limits applicable to them. The Company, the Selling Shareholder and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company, the Selling Shareholder 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.

Escrow Mechanism

The Company, the Selling Shareholder and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds 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 as 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 Selling Shareholder, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, other than the Anchor Investors, shall with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the applicable Margin Amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to “**Issue Procedure-Payment Instructions**” beginning on page 255 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its QIB Margin Amount only to the BRLM or Syndicate Members duly authorised by the BRLM in this regard. Bid-cum-Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date and no later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

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**” beginning on page 234 of this Draft Red Herring Prospectus.

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 Close 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 the Anchor Investors, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum-Application Form.

Where the Bidder has been allocated/Allotted lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company and the Selling Shareholder shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. 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.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids received, except Bids received from Anchor Investors, using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid

Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the 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:
 - i. Name of the investor.
 - ii. Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - iii. Numbers of Equity Shares Bid for.
 - iv. Bid price.
 - v. Bid cum Application Form number.
 - vi. Whether Margin Amount has been paid upon submission of Bid cum Application Form.
 - vii. 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 or the Selling Shareholder.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 276 of this Draft Herring Prospectus.
- (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 or the Selling Shareholder, 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 and the Selling Shareholder, 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.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders, except Anchor Investors, through the members of the Syndicate shall be electronically transmitted to the 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 or electronic transfer of funds through RTGS, 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 and the Selling Shareholder, in consultation with the BRLM, based on the physical records of Bid Application Forms shall be final and binding on all concerned.

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.
- (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. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs cannot withdraw their Bid after the Bid Closing Date.
- (e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equals to Rs. 100 million and multiples of [●] Equity Shares thereafter.
- (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.

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 and the Selling Shareholder.
- (b) The Company and the Selling Shareholder, in consultation with the BRLM, shall finalise the Anchor Investor Issue Price and the Issue Price.
- (c) Allocation to Anchor Investors shall be at the discretion of the Company and the Selling Shareholder, in consultation with the BRLM, subject to compliance with SEBI ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion.
- (d) The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.
- (e) In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.
- (f) 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 and the Selling Shareholder, in consultation with the BRLM, and the Designated Stock Exchange.
- (g) Allocation to Non-Residents, including Eligible NRIs and FIIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (h) The BRLM, in consultation with the Company and the Selling Shareholder, shall notify the members of the Syndicate of the Issue Price and the Anchor Investor Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (i) If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be payable to the Anchor Investors.
- (j) The Company and the Selling Shareholder reserve the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI ICDR Regulations, QIB Bidders bidding in the QIB Portion, shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.
- (k) 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 Selling Shareholder, 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, Anchor Investor Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Red Herring Prospectus with the RoC

We will file a copy of the Red Herring Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company and the Selling Shareholder shall after registering the Red Herring Prospectus, publish an advertisement, in the form prescribed by the SEBI ICDR Regulations in two widely circulated newspapers (one each in English and Hindi) and a regional newspaper 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 and 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 in the QIB Portion 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 and the Selling Shareholder shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date. For Anchor Investors, see *“Notice to Anchor Investors- Allotment Reconciliation and Revised CANs”*
- (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 or Anchor Investor Issue Price, as may be applicable, 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 in the QIB Portion - Allotment Reconciliation and Revised CANs”* as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, BRLM, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to SEBI ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation or price of Equity Shares, which shall in no event be later than two days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: 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 ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs 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 and the Selling Shareholder 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 and the Selling Shareholder 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 ICDR 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.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue nor the Escrow Collection Banks or the SCSBs nor the Company and the Selling Shareholder 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 and the Selling Shareholder, 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 and the Selling Shareholder in their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice 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 Non Residents including NRIs and FIIs 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 Depository 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 and the Selling Shareholder 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.

Foreign Venture Capital Investors, Multilateral and Bilateral development financial institutions shall not be 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 and the Selling Shareholder reserve 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 and the Selling Shareholder reserve 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 and the Selling Shareholder reserve 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 and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, the Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

The Company and the Selling Shareholder in their 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 and the Selling Shareholder and the BRLM may deem fit.

Payment Instructions

The Company and the Selling Shareholder shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be in case of Anchor Investors 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. For Anchor Investors, see also “**Payment Instructions for Anchor Investors**” below.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (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: “-[●]”
 - (e) In case of Resident Anchor Investors: “-[●]”
 - (f) In case of Non-Resident Anchor Investors: “-[●]”

4. 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 the 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.
5. 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.
6. 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.
7. 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.
8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
9. 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.
10. 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.
11. 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.
12. Bidders are advised to mention the number of application form on the reverse of the cheque/ demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
13. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Bank(s), such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

1. **Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.**
2. **Company, in consultation with the BRLM, in its absolute discretion, shall decide the list of Anchor Investors to**

whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Anchor Investors.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.
4. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: “-[●]”
 - In case of Non-Resident Anchor Investors: “-[●]”

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Anchor Investors can Bid under the Anchor Investor Portion and also in the Net QIB Portion and such Bids shall not be treated as multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

The Company and the Selling Shareholder reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund 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.

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.

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 ICDR 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.**

Our Right to Reject Bids

In case of QIB Bidders, the Company and the Selling Shareholder, in consultation with the BRLM, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided further that, the Company and the Selling Shareholder, in consultation with the BRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons therefor. In case of Non-Institutional Bidders, Retail Individual Bidders, the Company and the Selling Shareholder have 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.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc.

Disposal of Applications and Application Monies and Interest in case of delay

The Company and the Selling Shareholder 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 and the Selling Shareholder 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 ICDR Regulations, the Company and the Selling Shareholder further undertake 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 and the Selling Shareholder 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 pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by the SEBI ICDR Regulations.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOCATION

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional and QIB Bidders shall be available for allocation to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation 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 allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation 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, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation refer below.

C. For QIBs

- Bids received from the QIB Bidders, at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allocation 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 the Anchor Investor Portion) shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding the 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 the Anchor Investor Portion) then all Mutual Funds shall get full allocation 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 allocation to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids 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 the Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate allocation to QIB Bidders shall not be less than [●] Equity Shares.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company and the Selling Shareholder, in consultation with the BRLM, subject to compliance with the following requirements:
 - (i) not more than 30% of the QIB Portion will be allocated to Anchor Investors.
 - (ii) one-third of the Anchor Investor Portion 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; and
 - (iii) 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 at the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid Opening Date.

The Book Running Lead Manager, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the '*Basis of Allocation*' is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalize the '*Basis of Allocation*' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

This Issue will be conducted through the '100% Book Building Process' pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company and the Selling Shareholder, in consultation with Book Running Lead Manager will determine the Issue Price, and, in consultation with Book Running Lead Manager the '*Basis of Allocation*' and entitlement to Allotment based on the Bids received and subject to confirmation by the Stock Exchange(s). Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allocation in the Issue

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, the Company and the Selling Shareholder shall finalise the basis of allocation 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 allocation is finalised in a fair and proper manner.

Except in relation to Anchor Investors, the allocation 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 allocation is less than [●] Equity Shares per Bidder, the allocation 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 allocation 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. Allocation 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 allocation shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allocation 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 will be at the discretion of the Company and the Selling Shareholder, in consultation with the BRLM.
- h) Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

Illustration of Allotment to QIBs and Mutual Funds (“MF”) in the QIB Portion

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
	Portion available to QIBs other than Anchor Investors [(2)-(3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	1.8 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
4.	No. of QIB applicants	10
5.	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)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	500

A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB Bidders	Shares Bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	11.54	0
A2	20	0	4.62	0
A3	130	0	30.00	0
A4	50	0	11.54	0
A5	50	0	11.54	0
MF1	40	1.2	8.95	10.15
MF2	40	1.2	8.95	10.15
MF3	80	2.4	17.91	20.31
MF4	20	0.6	4.48	5.08
MF5	20	0.6	4.48	5.08
	500	6	114	50.77

Please note:

- The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “**Issue Structure**” beginning on page 234 of this Draft Red Herring Prospectus.
- Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.
- The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).
- The figures in the fourth column titled “Allocation of balance 114 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= No. of shares Bid for (i.e. in column II) X 114 / 494;
 - For Mutual Funds (MF1 to MF5)= {(No. of shares Bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)} X 114/494; and
 - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with Depository Participants within two Working Days from the date of Allotment. Applicants residing at 68 ECS centers notified by the SEBI, through its notification (Ref. No. SEBI/CFD/DILDIP/29/2008/01/02) dated February 1, 2008, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. 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, except for Bidders who have opted to receive refunds through the ECS facility or RTGS or direct credit. Applicants to whom refunds are

made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of the Bid/Issue Closing Date.

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 dispatch 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 and the Selling Shareholder, 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 centres where such facility has been made available, 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 and the Selling Shareholder.
3. RTGS – Applicants having a bank account at any of the centres where the ECS facility has been made available and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company and the Selling Shareholder. 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, 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.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar

The Issuer and the Selling Shareholder agree that the allotment of Equity Shares in the Issue shall be made not later than fifteen days of the Bid/ Issue Closing Date. The Issuer and the Selling Shareholder further agree that it shall pay interest at the rate of fifteen per cent p.a. if the allotment letters or refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within fifteen days from the Bid/ Issue Closing Date.

The Company and the Selling Shareholder 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 and the Selling Shareholder as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashment of such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched within 15 days of the Bid/Issue Closing Date for any delay beyond such 15 day time period.

Undertakings by the Company

The Company undertakes the following:

- i. that the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- ii. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within seven working days of finalisation of basis of Allotment;
- iii. 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 Company;
- iv. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within fifteen days of Bid/Issue Closing Date giving details of the Refund Banks where refunds shall be credited along with amount and expected date of electronic credit of refund;
- v. that the Promoters' Contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in *pro rata* basis before the calls are made on public;
- vi. that the refund orders to the NRIs shall be dispatched within specified time;
- vii. that no further issue of securities shall be made till the Equity Shares offered through this offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc.;
- viii. 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.
- ix. That the Company shall apply in advance for the listing of Equity Shares;
- x. That except as disclosed in the section titled "**Capital Structure**" on page 28, no further issue of Equity Shares shall be made until 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.;
- xi. That there would be no further transfer of Equity Shares during the period commencing from submission of the Red Herring Prospectus with the SEBI until the Equity Shares Allotted/ to be Allotted pursuant to the Issue have been listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and
- xii. That the Equity Shares are free and clear of all liens or encumbrances and shall be Allotted to the successful Bidders within the specified time;

The Company and the Selling Shareholder shall not have recourse to the Issue proceeds until the final listing and trading approval from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes the following:

- That the Equity Shares being sold pursuant to the Offer for Sale have been held by them for a period of more than one year and the Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;
- That there would be no further transfer of Equity Shares during the period commencing from submission of the Red Herring Prospectus with the SEBI until the Equity Shares Allotted/ to be Allotted pursuant to the Issue have been listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.;
- That they shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Utilisation of proceeds from the Fresh Issue

Our Board of Directors certifies that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net 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 Fresh Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the Net Proceeds.
- Our Company shall not have recourse to the proceeds of the Fresh Issue and the Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the approval for trading of the Equity Shares from the Stock Exchanges has been received.

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 Selling Shareholder and 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 that have been notified by SEBI to act as SCSBs 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 see 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 SCSBs with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSBs 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 SCSBs 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 SCSBs 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 SCSBs, 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 SCSBs. 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 SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSBs, 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 SCSBs, the ASBA Bidder is deemed to have authorized the Company and the Selling Shareholder 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 ICDR Regulations, in order to be eligible to apply under the ASBA, an ASBA Bidder has to satisfy the following conditions:

- a. The ASBA Bidder should be a Retail Individual Bidder;
- b. The ASBA Bidder should be a person resident in India as defined in the FEMA;
- c. The ASBA bid should be made through the blocking of funds in a bank account with the SCSBs;
- d. The ASBA Bidder should Bid only at Cut-off Price;
- e. The ASBA Bidder should bid with only a single option as to the number of Equity Shares; and
- f. The ASBA Bidder should agree not to revise his Bids.

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 and 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 SCSBs.
- (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 SCSBs 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 SCSBs 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 ICDR Regulations and Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (c) 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 SCSBs 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 SCSBs 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 SCSBs 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 SCSBs 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 advised that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.
- (b) In accordance with the SEBI ICDR Regulations, the Company and the Selling Shareholder, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and 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 and the Selling Shareholder, 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 SCSBs, 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 SCSBs to block the Bid Amount, in the bank account maintained with the SCSBs.

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 SCSBs bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSBs 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 ICDR Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the 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. SCSBs 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 advised 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 above-mentioned 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 SCSBs 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, the Selling Shareholder and 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 and the Selling Shareholder, their management or any scheme or project of the Company.
- (h) The SCSBs may reject the ASBA Bid, if the ASBA Account maintained with the SCSBs 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 and the Selling Shareholder 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 SCSBs of the same. The SCSBs 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 “**Issue Procedure**” beginning on page 238 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by the Company and the Selling Shareholder in a widely circulated English national newspaper, Hindi national newspaper and Marathi newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company and the Selling Shareholder 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 SCSBs 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 and the Selling Shareholder 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 and the Selling Shareholder 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) As per the SEBI ICDR Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are 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 SCSBs, 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 SCSBs), to the Company, the Selling Shareholder 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 SCSBs before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSBs.
- (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 SCSBs 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 SCSBs.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSBs 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 SCSBs.
- (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 SCSBs 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 WITH THE 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 or the Selling Shareholder 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 SCSBs shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSBs 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 SCSBs 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 and the Selling Shareholder, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

The Company and the Selling Shareholder, 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 and the Selling Shareholder, 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 SCSBs, 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 SCSBs 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 the section titled “**Issue Procedure - Multiple Bids**” beginning on page 257 of this Draft Red Herring Prospectus.

Permanent Account Number

For details, please see the section titled “**Permanent Account Number or PAN**” beginning on page 258 of this Draft Red Herring Prospectus.

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 SCSBs. Subsequent to the acceptance of the ASBA Bid by the SCSBs, the Company and the Selling Shareholder 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.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “**Grounds for Rejections**” beginning on page 276 of this Draft Red Herring Prospectus, 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 SCSBs 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 SCSBs 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 SCSBs 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 SCSBs, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the Selling Shareholder, 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 under applicable SEBI ICDR Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSBs 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 SCSBs, 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 SCSBs where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Applications and Application Moneys and Interest in case of delay in instructions to SCSBs by the Registrar to the Issue

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, the Company and the Selling Shareholder undertake 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 Allocation**" beginning on page 259 of this Draft Red Herring Prospectus.

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 Selling Shareholder

The Selling Shareholder undertakes the following:

1. That the Equity Shares being sold pursuant to the Offer for Sale, have been held by it for more than 1 year from the date of the Draft Red Herring Prospectus;
2. The Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens and encumbrances and shall be transferred to the successful Bidders within the specified time; and
3. That the Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the approval for the trading of the Equity Shares from the Stock Exchanges have been received.

Undertaking by the Company and the Selling Shareholder

In addition to the undertakings described under this section titled “**Issue Procedure - Undertaking by the Company**” and “**Issue Procedure- Undertaking by the Selling Shareholder**”, with respect to the ASBA Bidders, the Company and the Selling Shareholder undertake that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Net Proceeds

The Board has provided certain certifications with respect to the utilization of Net Proceeds. For details, please see the section titled “**Issue Procedure- Utilisation of Net Proceeds**” beginning on page 278 of this Draft Red Herring Prospectus.

Restriction 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 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 are permitted only by NRIs:

- 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 sector is permitted 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 a non-banking financial corporation.

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
 - i. In case of development of serviced housing plots, a minimum land area of 10 hectares.
 - ii. In case of construction-development projects, a minimum built up area of 50,000 sq. mts.
 - iii. In case of a combination project, any one 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 up to 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 up to 100% FDI in the housing and real estate business 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 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 Selling Shareholder 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.

REGULATIONS REGARDING OVERSEAS BORROWINGS BY REAL ESTATE COMPANIES

Overseas borrowing by property developers

External commercial borrowings (“ECB”) are governed by the guidelines issued by the RBI from time to time. RBI issued the current ECB guidelines through the Master Circular dated July 1, 2009 (RBI/2009-10/27 Master Circular No. 07/2009-10). In accordance with Circular No. 46 (RBI/2008-09/343 dated January 2, 2009) corporates engaged in the development of integrated townships (which includes housing, commercial premises, hotels, resorts, city, and regional urban infrastructure facilities such as roads and bridges, mass rapid transit systems and manufacture of building materials) can avail of ECBs with prior approval of the RBI till December 31, 2009. However, RBI on December 9, 2009, RBI has brought in changes to the existing policy governing ECB vide RBI/2009-10/252 A.P. (DIR Series) Circular No.19, dated December 9, 2009 whereby it has decided to extend the current policy until December 31, 2010, under the approval route. The aforesaid circular requires that the minimum area proposed to be developed as integrated township to be 100 Acres, for which norms and standards are required to be complied with as per local bye laws/rules. However, in the absence of any such bye-laws/rules, a minimum of two thousand dwelling units for about ten thousand people are required to be developed.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/defined terms herein have the same meaning given to them in the Articles of Association.

Table 'A'

Article 1 provides that:

No regulations contained in Table A, in the First Schedule to the Companies Act, 1956, or in Schedule to any previous Companies Act, shall apply to this Company, but the regulation for the management of the company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to its regulations by special resolution, as prescribed by the said Companies Act, 1956, be such as contained in these Articles.

Share Capital

Article 3 provides that:

The Authorized share capital of the Company shall be as per paragraph V of the memorandum of association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the authorized capital which may consist of equity and / or preference shares as the company in general meeting may determine in accordance with the law for the time being in force relating to companies with power to increase or reduce such capital from time to time, in accordance with the regulations of the Company and the legislative provisions for the time being force in this behalf and with power to divide the shares in the capital for the time being into equity share capital or preference share capital and to attach thereto respectively and preferential, qualified, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.

Article 4 provides that:

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.

Redeemable preference shares:

Article 6 provides that:

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's share premium account before the shares are redeemed;
- (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transformed to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share Capital of the Company.

Other shares:

Article 7 provides:

The Company shall have the power to issue cumulative convertible preference shares or such other kind of preference shares, whether redeemable or not and whether partly or fully convertible, subject to the provisions of the Act and any such guidelines or regulations issued by any regulatory authorities and the resolution authorizing such issue shall prescribe the manner, terms and conditions of payment of dividend, repayment or conversion.

Share and Share Certificates:

Articles 11, 12, 13 and 14 provide that:

1. The Company shall cause to be kept a Register and index of members holding shares in physical and dematerialised form in any media as permitted by law including any form of electronic media in accordance with sections 150 and 151 of the Act. The Company shall be entitled to keep in any state or country outside India a branch register of members resident in that State or country.

2. 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 shares of the Company which have been dematerialised.

3. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. 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 person and the notice referred to above shall contain a statement of this right. After the expiry of the time specified in the notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may:

(i) by a Special Resolution; or

(ii) where no such Special Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who being 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. The offer of further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.

(c) Nothing in sub-clause (a) above shall be deemed to extend the time within which the offer should be accepted or 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.

(d) Notwithstanding anything contained in sub-clause (a) 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 issued or loans raised by the Company to convert such debentures or loans into shares, or 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 provided for such option and such term:

- a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules; if any, made by, that Government in this behalf; and

- b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of the loans.
- c) Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons.

Transfer and transmission of shares:

Article 14 provides that:

The shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons, in such proportion, on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such consideration as the Directors think fit and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the general meeting. The Board shall cause to be filed the returns as to allotment provided for in section 75 of the Act.

Article 16 provides that:

Pursuant to provisions of Section 79A of the Act, the Company shall have power to issue sweat equity shares to employees or Directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called.

Article 17 provides that:

Pursuant to provisions of Section 77, 77A, 77AA and 77B of the Act, and other regulations or guidelines as may be specified or notified by any regulatory authority from time to time, the Company shall have power to purchase its own shares and other specified securities.

Article 18 provides that:

Subject to the provisions contained in any regulations, guidelines and circulars issued from time to time by any regulatory authorities, the Company may issue shares with differential rights as to dividends, voting, payments, etc. on such terms and conditions as the Board of Directors may deem fit.

Article 19 provides that:

Pursuant to provisions of Section 109A of the Act every holder of shares or debentures of the Company may at any time nominate in the prescribed manner a person to whom his or her shares or debentures of the Company shall vest in the event of his death.

Article 20 provides that:

Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles, be a Member.

Shares at the disposal of the Director:

Article 21 provides that:

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 insertion

of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Article 22 provides that:

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 insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Share Certificate:

Article 23 provides that:

- a) Every Member or allottee of shares be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board on surrender to the company of its letter of allotment or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of two Directors or persons acting on behalf of the directors under a duly registered power of attorney and the secretary or some other person appointed by the board of for the other person shall a person other than a managing or a whole-time director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.
- b) Any two or more joint allottees of a share, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee one. The Company shall comply with the provisions of Section 113 of the Act.
- c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Underwriting and Brokerage:

Article 28 and 29 provide that:

Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

The Company may pay a reasonable sum for brokerage.

Company's Lien on shares/debentures:

Article 42 provides that:

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 32 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

The Directors may at any time declare any share wholly or in part to be exempt from the provisions of this clause.

The provisions of these Articles shall *mutatis mutandis* apply to the debentures of the Company.

Article 43 provides that:

For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Article 44 provides that:

The net proceeds of any such sale shall be received by the Company and applied in or towards payment or such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

Forfeiture and Surrender:

Article 45 provides that:

If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or 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.

Article 46 provides that:

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding fifteen percent annum 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. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

Article 47 provides that:

If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture.

Article 48 provides that:

When any share shall have been so forfeited shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but not forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Article 49 provides that:

Any share so forfeited shall be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

Article 50 provides that:

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 interest thereon from the time of the forfeiture until payment, at such rate not exceeding fifteen percent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Article 51 provides that:

The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Article 52 provides that:

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Article 53 provides that:

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Board may appoint some person to execute an instrument or transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Article 54 provides that:

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Article 55 provides that:

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Transfer and transmission of shares:

Article 56 provides that:

The Company shall keep a "Register of Transfers" and therein will be fairly and distinctly entered particulars of or every transmission of any share.

Article 57 provides that:

Shares in the Company may be transferred by an instrument in writing in the prescribed form and shall be duly stamped and delivered to the Company within the prescribed period and all the provisions of Section 108 of the Companies Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

Article 58 provides that:

The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provision of the Act. The instrument of Transfer shall be accompanied by such

evidence as the Board may require proving the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

Article 59 provides that:

The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Transfer Books, the Register of Members of Register of Debentures-holders at such time or times and for such period or periods, not exceeding thirty days of a time and not exceeding in the aggregate forty-five days in each year.

Article 60 provides that:

Subject to the provisions of Section 111A of the Act, the Securities Contracts (Regulation) Act, 1956 and any applicable regulation including any requirement under the listing agreements with the stock exchange, the Board, may decline to register or acknowledge any transfer of shares, whether, fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases, it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. Registration of a transfer of shares 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 a lien on the shares.

Article 61 provides that:

Where in the case of partly paid shares, an application for registration is made by the transferor; the company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.

Article 62 provides that:

In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased Joint-holder from any liability on shares held by him jointly with any other person.

Article 63 provides that:

The executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only person recognised by the company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders at a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letter of administrator 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 think fit, the Board may dispense with production of probate or letter of administration or succession certificate, upon such term as to indemnity or otherwise as the Board in absolute discretion may think necessary an under a Article 61 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. Similarly in liquidation of a body corporate which is a member of this Company the official Assignee, Liquidator/or Receiver appointed by a duly constituted court in the Union of India shall be the only person recognised by the Company as having title to the share registered in the name of such member.

Article 63A provides that:

No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 64 provides that:

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

Article 65 provides that:

Subject to the provisions of the Act and Articles 58 and 59 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Articles or of such title as the Board thinks sufficient, either by 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 of the shares or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless, that if such person shall elect to have his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be released from any liability in respect of the shares.

Article 66 provides that:

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividends or other moneys payable in respect of the share.

Article 67 provides that:

There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee if any, as the Directors may require. The Board may however in its absolute discretion wholly or partly waive payment of the fee aforesaid generally or in specific case of cases, as it may deem fit.

Article 68 provides that:

The Company shall incur no liability or responsibility whatsoever in consequences of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to 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.

Borrowing Powers:

Article 70 provides that:

Subject to the provisions of Sections 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrows (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

Article 71 provides that:

Subject to the provisions of Articles 68 hereof, the payment of repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to

whom the same may be issued.

Article 72 provides that:

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 privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

Article 73 provides that:

The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges, specifically affecting the property of the Company and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.

Article 74 provides that:

The Company shall, if at any time it issues debentures keep a Register and index of Debentures-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture-holders resident in that State or country.

Conversion of shares into stocks and reconversion:

Article 78 provides that:

The Company in general meeting may convert any paid up shares, into stock; and when any shares shall have been converted into stock, the several holders of such 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, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

Article 79 provides that:

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, including the right to sell or transfer in whole or in part the stock held by them, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Member's Meeting:

Article 80 provides that:

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar of Companies under the provisions of section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hour, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within a city in which the office of the Company is situate as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Members of the Company shall be entitled to attend either in person or by proxy and

the auditor of the Company there shall be on the table the directors report and audited statement of accounts, auditors' report (if not already incorporated in the audited statement of accounts) the proxy register with proxies and the Register of Directors shareholdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the annual list of members, Summary of the share capital, balance sheet and profit and loss account and forward the same to the registrar in accordance with Sections 159, 161 and 220 of the Act.

The Board may, whenever it think fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

Article 81 provides that:

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

Article 82 provides that:

Upon receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Article 83 provides that:

Any meeting called upon the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Article 84 provides that:

At least twenty-one days notice of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as these Articles entitled to receive notice from the Company. Provided that in the case of an Annual general Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent of members holding not less than 95 percent or such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the Accounts, Balance sheets and Reports of the Board of Directors and Auditors, (ii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other Meeting in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the manager (if any). Where any such item of special business relates to, or affects any other company, the extend of share holding interest in other company of every Director, and the manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Article 85 provides that:

The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

Article 86 provides that:

No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Article 87 provides that:

Five members present in person shall be a quorum for a General Meeting.

Article 88 provides that:

A body corporate Central Government, State Government, Public Trustee being members shall be deemed to be personally present if they are represented in accordance with Section 187, 187A and 187B of the Act.

Article 89 provides that:

If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting if convened by or upon the requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

Article 90 provides that:

The Chairman (if any) of the Directors shall be entitled to take the chair at every General Meeting, whether Annual or extraordinary. If there be no such chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Directors as Chairman, and if no Director be present shall elect another Director as Chairman, and if no Director be present or if all the Director present decline to take the chair, then the members present shall elect one of their number to be chairman.

Article 91 provides that:

No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

Article 92 provides that:

The Chairman with the consent of the members or on his own volition (*suo moto*) *bona fide* in the interest of the meeting may adjourn any meeting from time to time and from place to place (in Bombay), but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting form which the adjournment took place, unless a fresh notice is served as per the provisions of the Act stating therein, the business to be transacted.

Article 93 provides that:

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or any declaration of the results of the show of hands) ordered to be taken by the Chairman of the Meeting on this own motion or ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution has on a show of hands, been carried or carried unanimously or by a particular majority or lost, any entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against that resolution.

Article 94 provides that:

In the case of any equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Article 95 provides that:

If a poll is demanded as aforesaid the same shall subject to Article 99 be taken at such time (not later than forty-eight hours from time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Article 96 provides that:

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member, (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove scrutineers from office and fill vacancies in the office of scrutineers arising from such removal or from any other cause.

Article 97 provides that:

Any poll duly demanded on the election of Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith.

Article 98 provides that:

Without prejudice to the provisions contained in these Articles concerning passing of the resolutions in the general meeting the company may pass resolution by means of a postal ballot instead of transacting the business in general meeting in the manner and to the extent permitted by the act.

Article 99 provides that:

The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Votes of Members:

Article 100 provides that:

No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right or lien.

Article 101 provides that:

Subject to the provisions of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however if any preference share holder be present at any meeting of the Company, as provided in clause (b) of sub-section (2) of section 87, he shall have a right to vote only on resolution placed before the meeting which directly, affect the rights attached of his preference shares.

Article 102 provides that:

On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Article 103 provides that:

A Member of unsound mind or in respect of whom an order has been made any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may, on poll vote by proxy. If any member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

Article 104 provides that:

If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of the said persons so present sent whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand, shall for the purpose of these Articles be deemed joint holders thereof.

Article 105 provides that:

Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate, Central of Sate Government being a member may vote either by a proxy or by representatives duly authorized in accordance with Sections 187 and 187A of the Act and such representatives shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate authority which he represents as that body could exercise if it were an individual member. Provided further that the shares held by trustees shall be represented in accordance with Section 187B of the Act and the public trustee entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the trust which he represents as if he was an individual member.

Article 106 provides that:

Any person entitled under Article 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Director shall have previously admitted his right to vote at such meeting in respect thereof.

Article 107 provides that:

Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, Central of State Government, under the common seal of such corporation of Government or be signed by an officer or any attorney duly authorized by the body corporate or the Government and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

Article 108 provides that:

An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Article 109 provides that:

A member present by proxy shall be entitled to vote only on a poll.

Article 110 provides that:

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised and certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Article 111 provides that:

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

Article 112 provides that:

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, insanity, winding up or liquidation of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of such event shall have been received at the office before the meeting.

Article 113 provides that:

No, objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Article 114 provides that:

The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Minutes of Meeting:

Article 115 provides that:

1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept of that purpose with their pages consecutively numbered.
2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
3. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
5. All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
6. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonable be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
7. Any such minutes shall be evidence of the proceedings recorded therein.

8. The book containing the minutes of proceedings of General Meeting 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 then two hours in each day as the Directors determine, to the inspection of any member without charge.

Directors:

Article 116 provides that:

Until otherwise determined by the Company in the General Meeting the Company and subject to the provisions of section 252 of the Act, the number of Directors, including Debenture Directors (but excluding Alternate Directors) shall not be less than three or more than twelve of which two-thirds shall retire by rotation in accordance with the provisions of Section 255 of the Act.

Article 117 provides that:

Notwithstanding anything to the contrary contained in these Articles so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Assurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or State Government by themselves (each of the above is hereinafter in this Article referred to “the Corporation”) out of any loans/debenture assistance granted by them to the Company or so long as the Corporation 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 by the Corporation on behalf of the Company remains outstanding, 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 Directors, is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his on their place/s.

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 required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be able to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee(s) it shall, if so required by the Corporation include the Nominee Director as a member of such management committee or other committee(s). 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 the Corporation holds or continues to hold debentures/shares in the Company as a result of underwriting or by writing or by direct subscription or private placement or in 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 *ipso facto* vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director’s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and of meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall be entitled to receive all such notices and minutes.

The Nominees Director/s shall be entitled to the same sitting fees, commission, remuneration and expenses as are applicable to other Directors of the Company. The Company shall pay the sitting fee and other expenses to the Nominee Director/s directly, but the commission, remuneration or other monies and fees to which the Nominee Director/s is entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such

Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation, or as the case may be to such Nominee Director/s.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration fees, commission, and monies as may be approved by the Corporation.

Article 118 provides that:

It is provided by the trust deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time by the person or persons in whom for the time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Article 119 provides that:

The Company shall, subject to the provisions of the Act and any agreement, be entitled to agree with any Government, person, firm or body corporate that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such nominee and their successors in office appointed under this Article shall be called "Special Directors" of the Company.

Manager:

Article 142 provides that:

At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

Proceedings of the Board of Directors:

Article 150 provides that:

The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. Subject to the provisions of these Articles and other relevant Articles, the Directors may regulate their proceedings, as they think fit. The Board shall hold meetings as often as may be deemed necessary. The meetings of the Board of Directors or a committee of the Directors may be held in person or may hold meetings by videoconference, conference telephone connection or by facsimile transmissions addressed to the Chairman, or by such other means as are permitted by law and approved by the Board of Directors from time to time. When a Board meeting is held through videoconference, conference telephone connection or by facsimile transmission, the views expressed therein shall be treated as votes in favour of or against a particular resolution. A resolution passed at any meeting held in compliance with this Article and recorded in writing signed by the Chairman, shall be as valid and effective as if it had been passed at a meeting of the Directors (or a committee or the Directors as the case may be) which had been duly convened and held.

Article 151 provides that:

Seven days prior notice or such period as may be prescribed by any regulatory authorities from time to time, for the meeting of the Board shall be given in writing to every director at his usual address in India or abroad. In case of a Director residing abroad, the notice may be sent by email, telex or cable or any other mode of communication as the case may be.

Article 152 provides that:

Subject to section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

Article 153 provides that:

If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

Article 154 provides that:

The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

Article 155 provides that:

The Directors, may from time to time elect from among their number a Chairman of the Board and determine the period for which he is to hold office, If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the Meeting.

Dividends:

Article 169 provides that:

The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

Article 170 provides that:

The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Article 171 provides that:

No dividend shall be declared or paid otherwise by the company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act except after the transfer to the reserves of the company of such percentage of its profits for that year as may be prescribed or out of the profits of Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that.

- (a) If the company has not provided for depreciation for any previous financial year or year it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.

- (b) If the company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amounts provided for depreciation for that year or those years whichever is less shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of section 205 of the act or against both.

Article 172 provides that:

The Board may, from time to time, pay the members such interim dividend as in their judgment the position, of the company justifies.

Article 173 provides that:

Where capital is paid in advance or calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Article 174 provides that:

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Article 175 provides that:

The Board may transfer the dividends payable upon shares in respect of which any person is, under Article 65 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same subject to the provisions of the companies act, 1956, and as provided for in Article 180.

Article 176 provides that:

Any one or several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

Article 177 provides that:

No member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such share of shares or otherwise, however, either alone or jointly with any other person or persons, and the board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

Article 178 provides that:

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Article 179 provides that:

Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having, the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the register in respect of the joint holdings. Every such cheque or warrant, shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant of payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant, or the forged signature on any payslip or receipt or the fraudulent recovery of the dividend by any other means. Provided that Company may transfer the dividend through ECS or any other electronics mode or other systems as may be allowed from time to time.

Article 180 provides that:

- a) If the company has declared a dividend but which has not been paid within 30 days or within such days as may be prescribed from time to time, than from the date of declaration to any shareholder entitled to the payment of the dividend the company shall within 7 days from the date of expiry of the said period of 30 days or such other days as may be prescribed, transfer the amount of dividend which remains unpaid within the said period of 30 days to a special account to be opened in that behalf in any scheduled bank called “the unpaid dividend account of Neptune Developers Limited.
- 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 credit of the Investors Education and Protection Fund or any other fund as may be prescribed.

Article 181 provides that:

No unpaid dividend shall bear interest as against the company subject to the provisions of the companies act, 1956. No unclaimed dividend shall be forfeited by the board unless the claim thereto becomes barred by law and the company shall comply with all the provisions of section 205A and 205C of the Companies Act in respect of unclaimed or unpaid dividend.

Article 182 provides that:

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member, be set off against the calls.

Article 183 provides that:

- (a) The Company in General Meeting may resolve that any moneys, investment or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund, or any capital redemption reserve account, or in the hands of the company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or towards payment of the uncalled liability on any issued shares or debenture or debenture-stock and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalized sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- (b) Provided that Company shall comply with the provisions of the Act, these Articles and regulations number 96 and 97 contained in Table A of Schedule I of the Act.
- (c) A General Meeting may resolve that the surplus moneys arising from the realization of any capital assets of the company, or any investments representing the same, or any other undistributed profits of the company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficult which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10 may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registered for registration in accordance with Section 75 of the Companies Act, 1956 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

- (e) Notwithstanding anything contained in forgoing provisions relating or concerning dividend. The statutory amendments, if any, shall prevail over the aforesaid articles.

Accounts:

The company shall keep at the office or at such other place in India as the Board thinks fit proper Books of Account in accordance with Section 209 of the Act with respect to:

- (a) All sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place.
- (b) All sales and purchases of goods by the company.
- (c) The assets and liabilities of the company.

Article 184 provides that:

Where the board decides to keep all or any of the Books of Account at any place other than the office of the Company, the company shall within seven days of the decision file with the registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such books of account.

Where the company has branch office, whether in or outside India, the company shall be deemed to have complied with this Article if proper books of account relating to the transaction effected at the branch office are kept at the branch office and proper summarized returns, made upto date, at intervals of not more than three months, are sent by the branch office to the company at its office or other place in India, at which the company's book of accounts are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the company or branch office as the case may be, and explain its transactions. The books of account and other books and papers shall be open to inspection by any Director during business hours.

Article 185 provides that:

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions as regulations the accounts and books of the company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the board.

Article 187 provides that:

The Directors shall from time to time, in accordance with sections 210, 211, 212, 215, 216 and 217 of the Act cause to be prepared and to be laid before the company in general meeting, such balance sheets profit and loss accounts and reports as are required by these sections.

Article 188 provides that:

A copy of every such profit and loss account and balance sheet (including the auditor's report and every other document required by law to be annexed or attached to the balance sheet) or a statement containing the salient features of such documents in the prescribed form as provided under the provisions of section 219 of the companies act, 1956, shall at least 21 days before the meeting at which the same are to be laid before the members, be sent to the members of the company to trustees for the holders of debentures and to all persons entitled to receive notices of General Meeting of the Company. Provided that if the copies of the documents aforesaid are sent less than twenty-one days before the date of the meeting they shall notwithstanding the fact, be deemed to have been duly sent if it is so agreed by all members entitled to vote at the meeting.

Article 189 provides that:

Every account of the company when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof whenever any such errors is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

Auditors:

Article 190 provides that:

Auditors shall be appointed and their rights and duties regulated in accordance with sections 224 to 233 of the act.

Documents and Notices:

Article 192 provides that:

1. A document or notice may be served or given by the company on any member either personally or by sending it post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the company for serving documents or notices on him.
2. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member, and, such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

Winding up:

Article 200 provides that:

The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the company and may with the like sanction, vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

Indemnity and Responsibility:

Article 201 provides that:

Every officer or agent for the time being of the company shall be indemnified out of the assets of the company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under section 633 of the act in which relief is granted to him by the company.

Secrecy clause:

Article 202 provides that:

- (a) Every director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the company with the customers and that state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or

may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may, relate to the conduct of the business of the company and which in the opinion of the Directors it would be inexpedient in the interest or the company to disclose.

SECTION IX - OTHER INFORMATION

Material Contracts and Documents for Inspection

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this 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 for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at Neptune House, Karma Stambh Building, 3rd Floor, Opposite MTNL Office, L.B.S. Marg, Vikhroli (W), Mumbai 400 083, Maharashtra, India, from 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letter dated November 13, 2009 from our Company and the Selling Shareholder for appointment of Enam Securities Private Limited as BRLM.
2. Issue Agreement dated December 28, 2009 amongst our Company, the Selling Shareholder and the BRLM.
3. MoU dated December 28, 2009 amongst our Company and the Selling Shareholder with the Registrar to the Issue.
4. Escrow Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLM, Escrow Collection Banks, and the Registrar to the Issue.
5. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLM and Syndicate Members.
6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLM and the Syndicate Members.
7. Agreement among NSDL, our Company and the Registrar to the Issue, dated [●].
8. Agreement among CDSL, our Company and the Registrar to the Issue, dated [●].
9. MoU between the Company, the Selling Shareholder and the SCSBs.
10. Share Subscription cum Shareholders' Agreement between our Company, IndiaREIT Enterprise Holdings Limited, IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III, Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Mahesh Shetty and Mr. Nayan Shah dated April 15, 2008
11. Amendment Agreement dated December 18, 2009 between our Company, IndiaREIT Enterprise Holdings Limited, IL&FS Trust Company Limited trustee to IndiaREIT Fund- Scheme III, Mr. Nayan Bheda, Mr. Sachin Deshmukh, Mr. Mahesh Shetty and Mr. Nayan Shah.
12. Investment Agreement between the Company, Neptune Enclave Private Limited and India Basket Limited, Cyprus dated February 8, 2008
13. Shareholders Agreement between the Company, Neptune Enclave Private Limited and India Basket Limited dated February 8, 2008
14. Share Subscription cum Shareholders' Agreement between our Company, Neptune Realtors Private Limited, IndiaREIT Enterprise Holdings Limited and IL&FS Trust Company Limited as trustee to IndiaREIT Fund – Scheme I dated February 7, 2007.
15. Share Purchase Agreement between our Company, Neptune Realtors Private Limited and IndiaREIT Offshore Fund dated December 28, 2009.
16. Trademark License Agreement dated December 18, 2009.
17. Trademark Assignment Agreement dated January 27, 2006.
18. Agreement with our Company and Mr. Nayan Bheda, Managing Director dated December 1, 2009.
19. Agreement with our Company and Mr. Sachin Deshmukh, Executive Director dated December 1, 2009.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.
2. Fresh certificate of incorporation post conversion from a private company into a public company dated November 12, 2009.
3. Shareholder's resolution dated December 23, 2009 and Board resolution dated December 22, 2009 in relation to this Issue and other related matters passed by the Company.
4. Circular resolution dated December 24, 2009 passed by the administrative committee of the board of directors of the Selling Shareholder's Trustee, IL&FS Trust Company Limited.
5. Statement of Tax Benefits, and the Report of the Auditors, M/s. Shaparia & Mehta, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus.
6. Copies of annual reports of our Company for the past five Fiscals.

7. Consents of the Auditors, M/s. Shaparia & Mehta, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.
8. Consents of Auditors, IPO Grading Agency, Bankers to the Company, BRLM, Syndicate Member, Registrar to the Issue, Banker to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Counsel to the Underwriter, International Legal Counsel to the Underwriter, Directors of our Company, Company Secretary and Compliance Officer, Selling Shareholder and Architects as referred to, in their respective capacities.
9. Certificate from M/s. Shaparia & Mehta, Chartered Accountants dated December 24, 2009 for amount deployed is as of October 31, 2009.
10. Applications dated [●] for in-principle listing approvals from BSE and NSE, respectively.
11. In-principle listing approvals from BSE and NSE dated [●] and [●], respectively.
12. Due diligence certificate to SEBI from Enam Securities Private Limited dated December 29, 2009.
13. SEBI interim observation letter ([●]) dated [●] and our reply to the same dated [●].
14. IPO Grading Report by [●] dated [●].

Land Related Material Documents

1. Certificate from Mandivala Qutub & Associates, Architects dated December 21, 2009 in relation to land held by the Company in Ambivali and Kochi;
2. Certificate from Vijay Punjabi Consultants Private Limited, Architects & Interior Consultants dated December 21, 2009 in relation to land held by the Company in Hyderabad and Thane;
3. Certificate from Icon Architects, Architects dated December 21, 2009 in relation to land held by the Company in Chennai, Pune, and Vishakhapatnam;
4. Certificate from Daisaria Associates, Architects & Approved Valuers dated December 21, 2009 in relation to land held by the Company in Kurla, Mumbai;
5. Certificate from TEEARCH, Architects, in relation to land dated December 21, 2009;
6. Title report and linkage letter from Sontyana Mohan Rao, Advocate, dated December 21, 2009;
7. Title report and linkage letter from Mahendra Salunkhe, Advocate, dated December 21, 2009;
8. Title report and linkage letter from Kishor K. Bhangde, Advocate, dated December 21, 2009;
9. Title report and linkage letter from Mothilal, Goda and Kalliat, Advocate, dated December 21, 2009;
10. Title report and linkage letter from Jagjiwandas Khimji Nathani, Advocate, dated December 21, 2009;
11. Title report and linkage letter from Ganu & Co., Advocate, dated December 21, 2009;
12. Title report and linkage letter from Abhyankar & Co., Advocate, dated December 21, 2009;
13. Title report and linkage letter from M. Vijaykumar, Advocate, dated December 21, 2009;
14. Development agreement dated April 23, 2008 entered into between our Company and M/s. Revati Construction for the development of the land at Nagpur;
15. Development agreement dated December 11, 2009 entered into between Neptune Developers Limited and K.J. Paul and others for the development of the land at Kochi;
16. Agreement for Sale dated December 31, 2007 entered into between Neptune Developers Private Limited and Mr. Rohidas Babu Patil and others for acquiring the land at Ambivali; and
17. Assignment agreement dated December 19, 2009 entered into between our Company, Kavya Realtors Private Limited, Juhi Realtors Private Limited and Deshmukh Projects Developments Private 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 our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

Declaration

We the Directors, certify that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this 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 or regulations issued there under, as the case may be and that all approvals and permissions required to carry on business of our Company have been obtained, are currently valid and have been complied with. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by all the Directors of our Company

1. Mr. Kamlesh Vikamsey	
2. Mr. Nayan Bheda	
3. Mr. Sachin Deshmukh	
4. Mr. Mahesh R. Shetty	
5. Mr. Ramesh Jogani	
6. Mr. Nassereddin Munjee	

Signed by the Chief Financial Officer

Mr. Anindya Mitra

Signed by the Company Secretary

Ms. Siddhi Shah

We, the Selling Shareholder, certify that all the relevant provisions of the Companies Act, 1956 or the regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, and to the extent that the same pertain to or arise out of our offering the Equity Shares through the Offer for Sale, 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 or regulations issued there under, as the case may be. All approvals and permissions required towards the Offer for Sale have been obtained, are currently valid and have been complied with. We further certify that all statements in this Draft Red Herring Prospectus, to the extent that the same pertain to or arise out of our offering the Equity Shares through the Offer for Sale, are true and correct.

Signed by the Selling Shareholder

IL&FS Trust Company Limited, as trustee to IndiaREIT Fund – Scheme III,

Dated: December 29, 2009

Place: Mumbai

ANNEXURE I – IPO GRADING REPORT

[REPORT OF THE IPO GRADING AGENCY SHALL BE ANNEXED AT THE RED HERRING PROSPECTUS STAGE]

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