

DRAFT RED HERRING PROSPECTUS**23rd August, 2010***Please read Section 60B of the Companies Act, 1956**(To be updated upon ROC filing)***100% Book Building Issue**

Dev Procon Limited

Our Company was incorporated as Dev Arcade Private Limited on 6th day of June, 2005 under the Companies Act, 1956 as a private limited company by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The name of our Company was changed from Dev Arcade Private Limited to Dev Procon Private Limited and obtained Fresh Certificate of Incorporation dated 4th January, 2010 consequent upon change of name of our Company from the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Our Company subsequently became a public limited Company and the name of our Company was changed to Dev Procon Limited and the fresh certificate of incorporation was granted to our Company on 31st day of March, 2010 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. For details of the change in the name of our Company and registered office, please refer section “History and Certain Corporate Matters” on page no.84 CIN No of our Company is U45200GJ2005PLC046194.

Registered Office: “Dev House”, Beside Rajpath Club, Nr Sankalp Restaurant, S G Highway, Ahmedabad - 380059 Gujarat, India

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Contact person & Compliance Officer: Mr. Ashok V Luste, **Company Secretary:** Ms. Yesha H Thakkar

PROMOTERS: MR. SANJAY H THAKKAR & MR DIPAK A THAKKAR	
PUBLIC ISSUE OF 75,00,000 EQUITY SHARES OF RS.10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING RS. [●] LACS (HEREINAFTER REFERRED TO AS THE “ISSUE”) BY DEV PROCON LIMITED (“OUR COMPANY” OR “ISSUER” OR “DPL”). THE ISSUE WILL CONSTITUTE 30 % OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF OUR COMPANY.	
PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARES OF FACE VALUE RS.10 EACH.	
THE ISSUE PRICE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.	

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Ltd. (“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 Syndicate.

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

RISKS IN RELATION TO FIRST ISSUE
This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is Rs. 10 and the floor price is [●] times of the face value and Cap Price is [●] times of the face value. The issue price (has been determined and justified by the lead merchant banker and the issuer as stated under the paragraph on “Basis for Issue Price”) should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk factors” on page no xi of this Draft Red Herring Prospectus.

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

LISTING
The Equity shares offered through this Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Ltd (BSE) (Designated Stock Exchange) and the National Stock Exchange of India Ltd (NSE). Our Company has received in-principle approval from BSE & NSE for the listing of the Equity Shares pursuant to their letter, dated [●] and [●] respectively.

IPO GRADING
This Issue has been graded by [●] as [●], indicating [●]. For details please refer section “General Information” on page no. 10 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE	
	Nirbhay Capital Services Private Limited Address: 201, Maruti Crystal, Opp. Rajpath Club, S. G. Highway, Bodakdev, Ahmedabad-380054 Tel: +91-79-26870649, Fax: : +91-79-26870228 E-mail: info@nirbhaycapital.com , Investor grievance Id: devipo@nirbhaycapital.com , Website: www.nirbhaycapital.com , Contact Person: Mr. Himanshu Nadiyana SEBI Registration No: INM 000011393		Bigshare Services Private Limited Address: E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Tel: +91-22-4043 0200, Fax: +91-22-2847 5207 E-mail: info@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Registration No: INR000001385

ISSUE PROGRAMME	
BID / ISSUE OPENS ON : [●]* 2010	BID / ISSUE CLOSES ON : [●]** 2010

*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.

**The Company may consider closing the Bid/Issue period for QIBs one day prior to the Bid/Issue Closing Date.

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SECTION I - DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

CONVENTIONAL /GENERAL TERMS

Term	Description
“Issuer”, “the Company” and “our Company”	Dev Procon Limited
We”, “our”, “us” and “DPL”	Unless the context otherwise requires, refers to Dev Procon Limited, a Company incorporated under the Companies Act, 1956 with its registered office at "Dev House", Beside Rajpath Club, Nr Sankalp Restaurant, S G Highway, Ahmedabad – 380059, Gujarat, India.

Term	Description
AOP	Association of Persons
BRLMs	Book Running Lead Mangers
Companies Act	The Companies Act, 1956, as amended from time to time.
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act, 1996.
Director (s)	The director(s) on the Board of the Company.
EPA	Environment Protection Act, 1986.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
Financial Year /Fiscal Year/FY/ Fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
Key Management Personnel	Those Individual described in Our Management – Key management Personnel on page no. 100
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Promoters shall mean Mr. Sanjay H Thakkar and Mr. Dipak A Thakkar
Promoter Group	Promoters, Promoter Group Entities and Promoter Group Individuals
Promoter Group Companies	Unless the context otherwise requires, refer to those companies mentioned in the section titled “Our Promoters And Promoter Group” on page no.103 of this Draft Red Herring Prospectus.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended time to time.
SEBI (DIP) Guidelines / SEBI Guidelines	The rescinded, Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI, as amended time to time.
SEBI (ICDR) Regulations, 2009	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation , 2009 as amended time to time.
SEBI Takeover regulation	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
Sec.	Section
Stamp Act	The Indian Stamp Act, 1882
Stock Exchange (s)	BSE and/ or NSE as the context may refer to
T.P Act	Transfer of Properties Act, 1882
Urban Land Ceiling Act	The Urban Land (Ceiling and Regulation) Act 1976

ISSUE RELATED TERMS

Term	Description
Allottee	The successful Bidders to whom Equity Shares are being /have been allotted.
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, allotment of Equity Shares pursuant to this Issue.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 1,000 lacs
Anchor Investor Bid	Bid made by the Anchor Investor
Anchor Investor Bidding Date	The day, one working day prior to the Bid/ Issue Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which Bidding by Anchor Investors shall open and shall be completed.
Anchor Investor Issue Price	The final price of Rs. [●] at which Equity Shares are issued and allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus. The Anchor Investor Issue Price has been decided by the Company in consultation with the BRLMs.
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by the Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.
Application Supported by Blocked Amount (ASBA)	means an application for subscribing to an issue containing an authorisation to block the application money in a bank account
ASBA Form	Bid cum Application Form for ASBA Investor
ASBA Investor	means an Investor except QIB, who intends to apply through ASBA process
Bankers to the Issue.	[●]
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to the Company's Equity Shares at a price within the Price Band including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid /Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional language newspaper with wide circulation.
Bid/Issue Closing Date	The date after which the Members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper , a Hindi national newspaper and a regional language newspaper with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares and which will be considered as the application for the Issue of the Equity Shares in terms of this Draft Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus and the Bid cum Application Form.
Bidding Period/Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process/Method	Book Building route as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is made.
BRLM/Book Running Lead Manager	Nirbhay Capital Services Private Limited
Business Day	Any day, on which commercial banks are open for business in Gujarat, India.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the price band, above which the issue price will not be finalized and above which no bids will be accepted.
Cut off Price	Any price within the Price Band finalized by the company in consultation with the BRLM. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price

	Band.
Depositories	NSDL and CDSL.
Designated date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Stock Exchange	Bombay Stock Exchange Ltd
Director(s)	Director(s) of Dev Procon Limited, unless otherwise specified.
Draft Red Herring Prospectus (DRHP)	The Draft Red Herring Prospectus filed with the SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
ECS	Electronic Clearing Service
Eligible NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe or purchase the Equity Shares offered thereby.
Equity Shares	Equity shares of the Company of Rs.10 each unless otherwise specified in the context thereof.
Escrow Account	Account to be opened with Escrow Collection Bank(s) and in whose favor the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst the Company, the Registrar, the Escrow Collection Banks(s), the BRLM and the Syndicate Member for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Banks	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no bids will be accepted.
IPO	Initial Public Offer.
Issue	Public Issue of 75,00,000 Equity Shares of Rs.10 Each For Cash At A Price of Rs. [●] Per Equity Share (Including A Share Premium of Rs. [●] Per Equity Share) Aggregating Rs. [●] Lacs
Issue Price	The final price at which Equity Shares will be allotted in terms of the Prospectus, as determined by the Company in consultation with the BRLM, on the Pricing Date.
Issue Period	The Issuer period shall be [●], the issue opening date, to [●], the issue closing date.
Issue Proceed	The proceeds of the issue that are available to the Company.
Issue size	Public Issue of 75,00,000 Equity Shares by Dev Procon Limited
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being Full bid amount on bidding.
Mutual Fund	A fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instrument and registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion being 1,87,500 Equity Shares of Rs.10 each for cash at a price of Rs.[●] per equity share aggregating to Rs.[●] lacs, available for allocation to Mutual Funds only, out of QIB Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers for this Issue 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 at least 15% of the Issue i.e. 11,25,000 Equity Shares of Rs.10 each for cash at a price of Rs.[●] per equity share aggregating to Rs.[●] lacs, available for allocation to Non Institutional Bidders.
Non – Resident	A person resident outside India, as defined under FEMA and Includes Non Resident Indian.

Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay 100% margin money at the time of bidding, as applicable.
Pay-in Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.
Price Band	Price band with a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof.
Pricing Date	The date on which Company in consultation with the BRLM finalize the Issue Price.
Promoters	Promoters shall mean Jointly Mr Sanjay H Thakkar and Mr Dipak A Thakkar.
Promoter Group	Promoters, Promoter Group Entities and Promoter Group Individuals
Promoter Group Entities	<ul style="list-style-type: none"> • Devrushi Reality Private Limited • Devshakti Reality Private Limited • Devbhumi Arcade Private Limited • Devpriya Infrastructure Private Limited • S. P. Property Private Limited • Relic Property Development Private Limited • Vasundra Property Development Private Limited • Ami Krupa Reality Private Limited • Devrushi Arcade Private Limited • Devraj Arcade Private Limited • Devdiya Arcade Private Limited • Devdiya Builders Private Limited • Devdiya Reality Private Limited • Devraj Builders Private Limited • Devdiya Infrastructure Private Limited • Devdip Builders Private Limited • Devfun Point Reality Private Limited • Fun Point Resorts Private Limited • Devdip Infrastructure Private Limited • Aadarsh Industries And Investments Private Limited • Sizing Materials Chemicals And Electronics Private Limited • Harshvadan Mangaldas Investments Private Limited • Devdip Malls Developers Private Limited • Devshakti Arcade Private Limited • Devdiya Procon Private Limited • Mahavir Procon Private Limited • Devdiya Organiser Private Limited • Dhamal Estates Private Limited • Devdip Arcade Private Limited • Dev-Naranpura Arcade Private Limited • Nandan Builders • Dharmanandan Builders • Dev Party Plot • Avkar Guest House • Archan Builders • Sanjay Thakkar HUF • Dipak Thakkar HUF
Promoter Individuals	Group Mr. Hiralal D Thakkar, Mrs. Sushilaben H Thakkar, Mrs. Ritaben S Thakkar, Mr. Rakeshbhai H Thakkar, Mr. Umangbhai H Thakkar, Mrs. Sobhanaben K Thakkar, Mr. Dev S Thakkar, Ms. Miloni S Thakkar, Mr. Manishbhai D Sachdev , Mr. Dahyabhai H Sachdev, Mrs. Manjulaben D Sachdev, Mr. Ajitkumar A Thakkar, Mrs.

	Pragnaben A Thakkar, Mr. Naiyaben D Thakkar, Mrs. Sheetalben S Pujara, Ms. Diya D Thakkar, Mr. Viral P Thakkar, Mr. Pravinbhai P Thakkar, Mrs. Nitaben P Thakkar
Promoter Companies	Group Unless the context otherwise requires, refer to those companies mentioned in the section titled “Our Promoters And Promoter Group” on page no. 103 of this Draft Red Herring Prospectus.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alias, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
QIB Margin	Full bid Amount on bidding that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of this Issue being up to 50% of the Issue, i.e. 37,50,000 Equity Shares of Rs.10 each for cash at a price of Rs.[●] per equity share aggregating to Rs.[●] lacs, available for allocation to QIBs, of which 5% shall be reserved for Mutual Funds.
Qualified QIBs	(i) a mutual fund, venture capital fund registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a state industrial development corporation; (vi) an insurance company registered with the Insurance Regulatory and Development Authority; (vii) a provident fund with minimum corpus of twenty five crore rupees; (viii) a pension fund with minimum corpus of twenty five crore rupees; (ix) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (x) insurance funds set up and managed by army, navy or air force of the Union of India;
Refund Amount(s)	The account opened with Escrow Collection Bank(s), from which refund, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder if any, shall be made.
Registrar/Registrar to the Issue	Registrar & Transfer Agent, i.e. Bigshare Services Private Limited.
Red Herring Prospectus or RHP	Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and the size of the Issue. The Red Herring Prospectus will become the Prospectus after filing with the ROC after the pricing date.
Retail Individual Bidder	Individual Bidders (including HUFs and NRIs) 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.
Resident Retail Individual Investor	means a Retail Individual Investor who is a person resident in India as defined in Foreign Exchange Management Act, 1999
Retail Portion	The portion of the Issue being at least 35% of the Issue i.e. 26,25,000 Equity Shares of Rs.10 each for cash at a price of Rs.[●] per equity share aggregating to Rs.[●] lacs, available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RTGS	Real Time Gross Settlement
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
Self Certified Syndicate Bank (SCSB)	SCSB is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making an Applications Supported by Blocked Amount and recognized as such by the Board
Stock Exchanges	Bombay Stock Exchange Limited & The National Stock Exchange of India Limited.
Syndicate	The BRLM and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of the Bids in the Issue.

TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and Syndicate Member.
Underwriting Agreement	The Agreement between the members of the Syndicate and the Company, on its own behalf to be entered into on or after the Pricing Date.
Venture Capital Funds / VCF	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

COMPANY AND INDUSTRY RELATED TERMS

Articles/ Articles of Association/AOA	Articles of Association of Dev Procon Limited
Auditors	The statutory auditors of the Company, being M/s Nautam R Vakil & Co., Chartered Accountants, Ahmedabad
Board	The Board of Directors of Dev Procon Limited or a committee thereof.
CC	Commencement Certificate
C.S. No.	Cadastral Survey Number
CTS No.	City Survey Number
ESIC	Employee's State Insurance Corporation
ICAI	The Institute of Chartered Accountants of India
Memorandum/ Memorandum of Association/MOA	Memorandum of Association of Dev Procon Limited
Project	The proposed project of the Company
Registered Office/ Registered office of the Company	The Registered Office of the Company at "Dev House", Beside Rajpath Club, Nr Sankalp Restaurant, S G Highway, Ahmedabad – 380059, Gujarat, India.
ROC	Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad.
Subsidiaries	The subsidiaries of our Company as detailed in "History and Certain Corporate Matters" on page no. 84 of this Draft Red Herring Prospectus and namely Devdip Arcade Private Limited, Dhamal Estates Private Limited, Devfun Point Reality Private Limited And Devpriya Infrastructure Private Limited

ABBREVIATIONS

A/C	Account
AGM	Annual General Meeting.
Act or Companies Act	The Companies Act, 1956, as amended from time to time
AMC	Ahmedabad Municipal Corporation
AS	Accounting standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
AUDA	Ahmedabad Urban Development Authority
A.Y	Assessment Year
BHK	Bedroom, Hall and Kitchen
BG	Bank Guarantee
BSE	Bombay Stock Exchange Limited.
BV	Book value
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Ltd.
CIN	Company Identification Number
Comm.	Commercial
DIN	Director Identification Number
DP	Depository Participant.
DIPP	Department of Industrial Policy and Promotion
DRHP	Draft Red Herring Prospectus
EGM	Extraordinary General Meeting

EPS	Earnings Per Share.
ESOP	Employees Stock Option Plan
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued thereunder.
FIIIs	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FSI	Floor Space Index
FVCI	Foreign Venture Capital Investor
F.Y	Financial Year / Fiscal Year
GDP	Gross Domestic Product
GOI/ Government	Government of India.
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principle
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India.
I.T.Act	Income-Tax Act, 1961.
LC	Letter of Credit
LOI	Letter of Intent
Ltd.	Limited
MAT	Minimum Alternate Tax
Mn, mn	Million
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Assets Value
NDP	Net domestic Product
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non-Resident External Account.
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRI(s)	Non-Resident Indian (s)
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Ltd
OCB/ Overseas Corporate Body	A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
Resi.	Residential
RoC	Registrar of Companies, Gujarat, Ahmedabad
RONW	Return on Networth
Rs	Indian Rupees

RTGS	Real Time Gross Settlement
SBA	Super Built up Area
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act , 1992
SEZ	Special Economic Zone
SIA	Secretariat for Industrial Assistance
Sq. ft	Square Feet
Sr No.	Serial number
sy. No.	Survey number
The Act	The Companies act, 1956 (as amended from time to time)
U.S./U.S.A.	United States of America
V/s	Versus

SECTION II-RISK FACTORS

CERTAIN CONVENTIONS - USE OF MARKET DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations included elsewhere in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 every year and closes on March 31 of the next year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lacs” means “one hundred thousand” and the word “million” means “ten Lac” and the word “Crore” means “ten million”. Throughout this Draft Red Herring Prospectus, all figures have been expressed in Lacs. Unless otherwise stated, all references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

Industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes 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.

For additional definitions, please refer to the section titled ‘Definitions and Abbreviations’ on page no. vi of this Draft Red Herring Prospectus. In the section titled ‘Main Provisions of the Articles of Association’ on page no. 274 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Red Herring Prospectus, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements include statements as to our business strategy, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- Our ability to retain and attract trained employees;
- Changes in the value of the Rupee and other currency changes;
- Loss or decline in the business from any of our key clients;
- General economic and business conditions in India and other countries;
- Our ability to successfully implement the strategy, growth, new projects and expansion plans;
- Changes in the Indian and international interest rates;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in laws and regulations that apply to our business.
- Changes in political conditions in India.

For further discussion of factors that could cause actual results to differ, please refer the section entitled “Risk Factors” beginning on page no- xi of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Directors, any member of the Book Running Lead Manager team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. One should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

The risks and uncertainties described in this section are not the only risks that we currently face. Additionally, risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any one or some combination of the following risks or other risks that are currently not known or are now deemed immaterial were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares could decline and you may lose all or part of your investment.

Unless otherwise stated in the relevant risk factors set forth below, our Company is not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and the risks involved.

INTERNAL RISK FACTORS:

Materiality

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

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

1. There is one criminal proceeding filed by promoter of our Company the details of which are given below:

Sr . No	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Reliefsought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	F.I.R. No.244/2008 (Cri. Misc. Appli.No. /2008 filed by Sanjay Hiralal Thakker – Promoter in Gujarat High Court..	May - 2008	Ramjibhai Purshottambhai Patel, Sanjay Hiralal Thakker V/s. State of Gujarat, Mihir Harshadbhai Patel.	Gujarat High Court.	Sanjay Hiralal Thakker-Promoter has filed the Cri. Misc. Appli. U/s.482 of Cri.Procedure Code for quashing the complain being F.I.R.No. 244/2008 registered with Navrangpura Police Station in respect of property situated at Devnandan, Ghatlodia, Survey No. 190 Paiki, F P No. 144 Paiki, T P No. 18. The said F.I.R. is filed U/s.420, 468,471 and 114 of Indian Penal Code. The Cri.Misc. Appli.is filed before the Gujarat High Court	Nil.	Pending for hearing.	Pending	No adverse effect on the Company.

					and the Hon. Gujarat High Court has admitted the matter and has also granted stay against the property and passed order for further investigation.				
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There is two criminal proceeding against the promoter of our Company the details of which are given below:

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	Appication before Joint Commissioner of Police, Ahmedabad-Sector -I	16-06-2009	Mohib Khericha Versus Dipak Ajitbhai Thakkar and Sanjay Hiralal Thakker.	Police Inspector – Satelite Police Station.	Application was filed by Mohib Khericha against the Sanjay Thakkar & Dipak Thakkar on 18-6-2009 alledgedly claiming Shop No. 212 and 213 in Dev Arc Complex. The said application is filed for cheating and breach of trust. Against the said application, the inquiry was held by Satelite Police Station and all documents were seen by Police Inspector Shri M.H. Vasani. After detailed investigation, the so-called complaint was wrong filed and no case was made out. It was further concluded that no consideration was paid by the Complainant and therefore the said application was dismissed on 16-7-2009 by the Police Inspector- M.H. Vasani, Satelite Police Station. In the said Society, Mr. Dipak Thakkar is the Office- bearers.	Properly involved.	Disposed off.	Dismiss	No adverse effect as case is not registered and application is also dismissed.
(2)	F.I.R. No. 86 of 2010	21-04-2010	Rajesh variben through her power of Attorney Holder Shri Rameshbhai Ishvarbhai Patel	Sola Police Station and District Court, Ahmedabad	F.I.R. is filed by the Rajeshvariben against the Directors of the Company namely Fun Point Resort Pvt Ltd. Under I.P.C. 406, 420, 467, 471 and 114 for their equity shares. In the said matter, the Directors Dipak A. Thakkar and Naiya Thakkar have submitted their documents before Investigating Officer.	7998 Equity Shares (worth Rs 4.40 lacs as per the agreement) of Fun Point Resort Pvt Ltd is involv	Pending	Investigation is going on.	No adverse effect.

			against Balvan tbhai P. Patel, Dipak Thakkar, Naiya Thakkar & Others.			ed			
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There is one criminal proceeding against the Group companies/associate concerns the details of which are given below:

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	F.I.R. No. 86 of 2010	21-04-2010	Rajeshvariben through her power of Attorney Holder Shri Rameshbhai Ishvarbhai Patel against Balvantbhai P. Patel, Dipak Thakkar, Naiya Thakkar & Others.	Sola Police Station and District Court, Ahmedabad	F.I.R. is filed by the Rajeshvariben against the Directors of the Company namely Fun Point Resort Pvt Ltd. Under I.P.C. 406, 420, 467, 471 and 114 for their equity shares. In the said matter, the Directors Dipak A. Thakkar and Naiya Thakkar have submitted their documents before Investigating Officer.	7998 Equity Shares (worth Rs 4.40 lacs as per the agreement) of Fun Point Resort Pvt Ltd is involved	Pending	Investigation is going on.	No adverse effect.

2. The issuer Company, promoters, some of the Directors and some of the entities forming part of our group are party to certain legal proceedings including criminal, civil, and tax laws which are filed against them. These legal proceedings are pending at different levels of adjudication before various courts.

A summary of these cases is as follows:

Particulars	Total No	Amount (Rs in lacs)
Under Criminal Laws		
Cases filed by the Promoters	1	Nil
Cases filed against the Promoters	2	Out of 2 cases, in one case, property is involved/therefor Amount is not ascertainable and in one case, Amount is Rs. 4.40 Lacs.
Cases filed against the Group companies/associate concerns	1	4.40
Under Tax Laws		
Cases filed by the Company	1	7.00
Cases filed by the Promoters	1	153.89

Cases filed by the Group Companies/associate concerns	1	1.00
Under Civil Laws		
Cases filed against the Company	2	2235
Cases filed by the Promoters	3	Out of 3 cases, in two cases, property is involved . Therefor Amount is not ascertainable and in one case, Amount is Rs. 200 Lacs.
Cases filed against the Promoters	3	Amount is not ascertainable. (Property involved)
Cases filed by the Group Companies/associate concerns	1	386.63
Cases filed against the Group companies/associate concerns	3	Amount is not ascertainable. (Property involved)
Under various statutory laws		
Cases filed against the Company	1	8.80

For further details, please refer to section “Outstanding Litigations and Material Developments” on page no. 205.

3. *We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for execution of our projects and our operations from time to time. Any delay or inability to obtain such approvals may have an adverse impact on our business.*

Development of real estate projects is subject to extensive local, state and central laws and regulations that govern the acquisition, construction on and development of land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal. Certain statutory and governmental regulations are required to be complied for acquisition of land and development rights in relation to immovable properties which are governed by various aspects like requirement of transaction documents, payment of stamp duty, registration of property documents etc. Although we believe that our contractual arrangements are substantially in compliance with such laws and regulations, statutory authorities may allege non-compliance and we cannot assure you that we will not be subject to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. These approvals may be required to be obtained before and/or after the commencement of construction in relation to the project. Further, though we may have been able to obtain the necessary approvals in the past, we cannot assure you that we will be able to obtain approvals in relation to our new projects, at such times or in such form as we may require, or at all. We require certain statutory and regulatory permits, licenses and approvals including approvals related to the conversion of agricultural land to non-agricultural land

For our ongoing and forthcoming projects we have applied to statutory authorities and clearance is awaited and there are certain licenses/ approvals/ permissions which we are yet to apply. We have to apply for Non Agriculture (NA) Permission for one on our project Dev 181. However we have taken permission to acquire agriculture land under section 63 Rule 36 from Collector of Ahmedabad by letter no. CB/LAND-2/TNC/SR-6/C-2662/6/2010 dated 24/06/2010.

Further, Our Company has not yet registered under VAT department and also not registered under Bombay Shops Establishment Act, 1948 and is going to apply for the same in near future.

Further, these licenses/approvals may be granted subject to certain conditions, and we cannot assure that these conditions would be acceptable to us, or would not have an adverse effect on us. Further, in the future we will be required to apply for fresh approvals and permits for our projects. While we believe we will be able to obtain such approvals or permits at such times as may be required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frames anticipated by us or at all. So, non-receipt of the requisite approvals, or delayed receipt of the same, may delay our Project and would adversely affect our growth plans.

For further details on licenses/approvals which are pending renewal/ approval and licenses/approvals for which we are yet to apply, please refer to the chapter titled “Government Approvals/ Licencing Arrangements” on page no. 217

4. In the past 12 months we have issued following Equity shares to our promoters and promoter Group. The details of the same are as under:

Date of Allotment/Transfer	Allottees	No. of Shares	Issue Price (Rs)(Face value of Rs10 Each)	Nature of payment	Reason of allotment
February 10, 2010	Mr Sanjay H Thakkar	21,25,000	Nil	Nil	Bonus
February 10, 2010	Mrs. Rita S. Thakkar	6,25,000	Nil	Nil	Bonus
March 5, 2010	Mr Sanjay H Thakkar	32,68,750	160	Cash	Further Allotment
March 5, 2010	Mr. Dipak A Thakkar	4,81,250	160	Cash	Further Allotment

5. We are reliant upon contractors, workforce and services provided by parties outside the control of Management for the development and sale of our projects and the lack of ability or aversion of such parties due to internal or external factors whichever may be to provide their services to us on timely and cost-efficient basis may adversely affect our results of operations.

Most of our projects require the services of third parties. These third parties include architects, engineers, contractors and suppliers of labour and materials. We enter into the agreements with such parties to design, construct and sell our projects in accordance with our specifications and quality standards and under the time frames provided by us. The timing and eminence of construction of projects we develop depends on the availability and skill of such parties, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. We may only have limited control over the timing or quality of services and sophisticated machinery or supplies provided by such third parties and are highly dependent on the services of such parties. If such parties are unable to perform their services and/or contract, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, our business, reputation and results of operations could be adversely affected. Generally, we commit to complete the developments within specified time frames, failing which, we may require to compensate our customers at specified rates for the delay. So, it may happen that we may not be able to identify appropriately experienced third parties and/or we cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. As a result, we may be required to make additional investments or provide additional services or compensation to ensure adequate performance and delivery of contracted services, any consequent delay in project execution could adversely affect our profitability and reputation.

6. The Issuer, promoters, Group Companies and associates of our Company have unsecured debt that is repayable on demand.

The Issuer, promoters, Group Companies and associates of our Company have availed certain unsecured loans and repayment of these loans may be called by lenders at any time. In such event, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. This may have an adverse effect on our business operations and financial condition.

7. Our Promoters, Directors, related entities and other ventures promoted by our promoters are engaged in a similar line of business and we do not have a non-compete agreement or contract with any of these entities, and hence a potential conflict of interest may arise.

A conflict of interest may occur between our business and the business of our Promoter group companies which could have an adverse affect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, directors and their related entities. Our Promoters, directors and their related entities may compete with us and have no obligation to direct any opportunities to us. The Other promoter Group Companies, including those in similar line of business, may dilute our promoters' attention to our business, which could adversely affect our business, financial condition and ultimately results

in conflicting interests. For more details regarding promoter Group Companies, see “Our promoters and promoter Group” on page no. 103. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner. Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoters, other shareholders, Directors, executive officers and the holders of the Equity Shares. Commercial transactions in the future between us and related parties could result in conflicting interests.

8. Certain of our group Companies/ventures have incurred losses during recent financial years.

(Rs in lacs)			
Name of Group Company	2008-09	2007-08	2006-07
Devpriya Infrastructure Private Limited	NIL	(0.23)	NA
Vasundra Property Development Private Limited	(26.18)	0.00	NA
Amikrupa Reality Private Limited	NIL	(16.15)	NIL
Devdiya Builders Private Limited	NIL	(0.002)	NA
Devraj Builders Private Limited	NIL	0.019	(0.002)
Devdiya Infrastructure Private Limited	NIL	(0.002)	NA
Devdip Infrastructure Private Limited	2.65	(0.93)	0.31
Aadarsh Industries and Investments Private Limited	(0.003)	(0.032)	(0.071)
Sizing Materials Chemicals and Electronics Private Limited	(0.003)	(0.032)	(0.007)
Harshvadan Mangaldas Investments Private Limited	(0.003)	(0.07)	(0.17)
Devdip Malls Developers Private Limited	NIL	(0.20)	NA

(Rs in lacs)			
Name of Subsidiary Company	2009-10	2008-09	2007-08
Dhamal Estates Private Limited	(0.001)	(0.085)	NA
Devdip Arcade Private Limited	(1.16)	(9.68)	(0.07)

9. Implementation of the projects proposed to be funded mainly from the process of present public issue may be delayed due to delay in the public issue.

The cost of projects is to be funded mainly from the IPO. Any delay/failure of the IPO will impact the completion of projects which will further affect the future performance and profitability of our Company.

10. The promoters and directors of our Company has following relationship with the entities from whom it has acquired land. It does not proposes to acquire land with any of the group companies.

Sr. No.	Entity	Relationship	Land Details
1.	Sanjaybhai H Thakkar	Promoter Director	Project: Dev 181 Address: Sur, No-144 Block No-181 T.P.-2 F.P -181 No Sub Plot No-2, Bopal, Ahmedabad. Land Area: 6216 sq mts
2.	Sanjaybhai H thakkar	Promoter Director	Project: Dev Exotica Address: Block No. 189+190+191+192+194/a, sub Plot No. 1+2,93+94, Ghuma , Ahmedabad. Land Area: 5936 sq mts.

The Above mentioned land is acquired at prevailing market rate .

11. The contingent liabilities of our Company not provided for in the financial statements of our Company, could affect our cash flow and financial position.

1. Dev Procon Limited (Formally known as Dev Arcade Private Limited) has given financial Guarantee of Rs.57.50 Crores for Devdip Malls Developers Private Limited (Group Company) in year July 2007 to Central Bank of India for term loan.
2. Dev Procon Limited (Formally known as Dev Arcade Private Limited) has given financial Guarantee of Rs.15 Crores for Devfun Point Reality Private Limited (Subsidiary Company) in Mar 2010 to Central Bank of India for term loan.
3. The Infinity Retail Limited has filed the claim of Rs.22 Crores against Dev Procon Limited (Formally known as Dev Arcade Private Limited) before Arbitrator (Retd. Justice Mr. C.K. Thakkar of Supreme Court of India). Dev Procon Limited has filed detailed reply on this claim. However the said matter is pending before arbitral Tribunal.

12. We have not entered into any definitive agreements to utilize the net proceeds of the Issue, and the deployment of funds from the issue is entirely at the discretion of our Board and has not been appraised, and are based on current conditions which are subject to change.

We have not entered into any definitive agreements to utilize the net proceeds of the Issue. The deployment of funds as stated in "Objects of the Issue" on page no. 24 is entirely at the discretion of our Board. All the figures included under "Objects of the Issue" are based on our own estimates. Pending utilization of the proceeds, if any, of this Issue for the purposes described in this Draft Red Herring Prospectus, investment in the proceeds of the Issue would be made in accordance with investment policies or investment limits approved of by our Board of Directors from time to time.

Further, the objects of the Issue have not been appraised by any bank or financial institution Except one of our ongoing project namely Dev Exotica (Residential Project) which appraised by Punjab National Bank, Ghuma Branch, Ahmedabad. Our management estimates for the projects may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project expenditure, which may have a material adverse effect on our business, financial condition and results of operations.

13. We rely on the experience and skills of our Directors and senior management team. Our success depends on our ability to attract and retain skilled personnel.

We believe we have a team of professionals to effectively oversee the operations and growth of our business. Our success is substantially dependent on the expertise and services of our Directors and our senior management team. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations. Further, our ability to maintain our leadership position in the real estate development sector depends on our ability to attract, train, motivate, and retain highly skilled personnel. In the event we are unable to do so, it could have an adverse effect on our business and results of operations.

14. The name and logo of our Company have not been registered under the Trade Marks Act, 1999. We are going to apply for the registration of the same, with the Trade Marks Registry, Ahmedabad.

We have not registered our trade name and trademark "DEV" and company may go to file applications for registering the name and logo of our Company and mark "DEV" pertaining to our products with the Trade Mark Registry at Ahmedabad, under various classes under the Trade Marks Act, 1999 in near future. There can be no assurance that our trade mark application will be accepted and the trademark will be registered. Further, our applications for the registration of our trademark may be opposed by third parties, and we may have to incur significant cost and spend time in litigations in relation to these oppositions.

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

We have entered into certain transactions with related parties, including our Promoters and Promoter Group entities. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see “Related Party Transactions” on page no. 139 & 166.”

16. The land which is owned by our Company and registered in the name of our Company is 7.76 acres and accounts for 31.10% of our total Land Reserves, with the remaining properties forming part of our Land Reserves being held in the names of our Subsidiaries or other entities.

We own a total of 7.76 acres of land, which aggregates to 31.10 % of our total Land Reserves. The remaining properties forming part of our Land Reserves are held in the names of our Subsidiaries, other entities with whom we have joint development arrangements. As a result, these project-specific entities will have control over the Land Reserves and thereby limit our flexibility to make decisions relating to such Land Reserves. For details about the lands owned by our Company, see the section titled " *Land Reserves*" on page no. 69.

17. The success of our real estate business is dependent on our ability to anticipate and respond to consumer requirements.

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands in the real estate sector. Increasingly, consumers are seeking better housing and better amenities in new residential developments. Our role as the developer of residential projects requires us to satisfy different consumer expectations such as parking, gardens, playgrounds, swimming pools, & other amenities. The growth and success of our commercial business depends on the provision of high quality office space and technology parks to attract and retain clients who are willing and able to pay rent at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients.

Accordingly, our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs accordingly could materially and adversely affect our business and results of operations.

18. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our 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 projects, financial condition and results of operations.

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

We procure building materials for our projects, such as steel, cement etc. from third party suppliers. The prices and supply of such building materials and other raw materials depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Our ability to develop and construct properties profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. In case of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated property development cost. Further, we do not have any long-term supply agreements for procuring these materials. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which may reduce or eliminate the profits we intend to attain

with regard to our projects which may, in turn, have an adverse effect on our business, financial condition and results of operations.

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

As part of our strategy, we plan to introduce new project initiatives in the Indian market. Each of the new project initiatives carries significant risks, as well as the possibility of unexpected consequences, including acceptance by and sales of the new project initiatives to our customers may not be as high as we anticipate; or our marketing strategies for the new projects may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired demand etc. Each of the risks referred to above may delay or impede our ability to achieve our growth objectives or we may not be successful in achieving our growth objectives at all through these means, which may have an adverse effect on our business, financial condition and results of operations.

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

As the demand for residential and commercial properties increases, it also results in an increase in competition to acquire land. Most of our Ongoing Projects and Forthcoming projects are in Gujarat particularly in Ahmedabad the unavailability or shortage of suitable land for property development also leads to an escalation in land prices.

Additionally, the availability of land, its use and development is subject to regulations by various local authorities. Any changes in any of regulations applicable to our business, may adversely affect our business operations. Although, land parcels which are directly owned by us constitute a major portion of our total land comprising our Ongoing Projects and Forthcoming Projects, but any escalation in the price of land may prevent us from acquiring remaining parcels of land and thus increasing our Land Reserves, which may adversely affect our business, financial condition and results of operations.

22. We depend on our information technology systems in managing our construction and development process, logistics and other integral parts of our business.

Our information technology systems are important to our business. We utilise information technology systems in connection with overall project management, human resources and accounting. We have made adequate arrangement for back up of our computer data but any sudden failure in our information technology systems due to any reasons beyond our control, could result in business interruption, adversely affecting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition and results of operations.

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

The square footage data presented with regards to our Ongoing Projects and Forthcoming Projects, the Developable Area and Saleable Area and make-up of our land are based on management estimates and it will be developed by us in the future with regards to a particular property which may differ from the amounts presented herein based on various factors such as market conditions, title defects and any inability to obtain required regulatory approvals. The expected commencement dates for projects disclosed in this Draft Red Herring Prospectus are based on our current plans with respect to our projects. However, the management estimates and plans are subject to change depending on future contingencies and unforeseen events or factors, including, among others, changes in laws, competition, changes to our business plans, timely receipt of statutory and regulatory approvals and permits, irregularities or claims in respect of title to land or in agreements related to acquisition of land, and the ability of third parties to execute services on schedule and

within budget. Therefore, these management estimates and plans with respect to our Ongoing Projects and Forthcoming Projects are subject to uncertainty.

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

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

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

We are not insured for a number of the risks associated with our business, such as fire, special perils concerning our construction operations and loss of certain assets except insurance taken by us in respect of one of our ongoing project Dev Exotica. For further details, See “Business Overview on page no 63. Moreover, currently, our Company has not taken any insurance for protecting us from future business losses and in the event of such losses occurring, the operation of our company may be affected significantly.

26. Our Company’s indebtedness, inability to make payments or refinance our debt and the conditions and restrictions imposed by the financing arrangements could adversely affect our ability to conduct our business and operations.

As of March 31, 2010, our Company’s outstanding indebtedness was Rs. 11542.70 lacs, out of which Rs. 5300.13 lacs was unsecured and Rs. 6242.57 lacs was secured. Our Company may incur additional indebtedness in the future. Our Company’s indebtedness could have several consequences, including but not limited to the following:

- a portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted; and;
- fluctuations and increase in prevailing interest rates may affect the cost of our borrowings, with respect to existing floating rate obligations and new loans.

Our Company has entered into agreements with Punjab National Bank for Term Loan of Rs 1200.00 lacs vide letter dated 20.01.2010, which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking expansion/diversification/modernization of the projects and cannot do so without proper tie ups of funds, withdrawing unsecured long term loans taken from friends and relatives, withdrawing of monies brought in by shareholders/directors, implementing any scheme of capital expenditure, formulating any scheme of expansion or merger or acquisition, entering into any borrowing and non borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accepting deposits in excess of the limits laid down by RBI, investing by way of share capital or lending or advancing funds to or placing deposits with any other company/firm, concern including group companies/associates/persons, approaching capital market for mobilising additional resources either in the form of debts or equity, repaying monies brought in by promoters, partners, directors, share holders, their relatives and friends in the business of our Company/firm by way of deposits/loans/share application money etc. Our Company shall deal with the bank exclusively, shall not open current account/s with any other bank without prior consent of the bank and shall route all sale transactions through accounts with the bank. Our Company’s entire business relating to its activity including deposits, bills, foreign exchange, merchant banking etc should be restricted to the bank.

In addition, some of the loan agreements contain financial covenants that require us to maintain, among other

things, specified debt equity ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe is required to operate and grow our business.

Furthermore, a default, including our inability to service our debt, on some of our loans may also trigger cross-defaults under some of the other loan agreements, whereby our failure to honour the payment due under one particular facility will be deemed to be a default under all of our other facilities, and all moneys owed by us to such lenders may be accelerated or declared immediately due and payable.

In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. Repayment of these loans may be called by lenders at any time. In such event, we may have to raise large amounts of money to refinance these obligations. This requirement to refinance loans at short notice may have a material and adverse effect on our business operations and financial condition. Furthermore, we have long-term Rupee-denominated debts of Rs. 6242.57 lacs as on March 31, 2010 which bear interest at floating rates linked to the prime lending rates of our lenders, as determined from time to time. Upward fluctuations in interest rates could therefore increase the cost of both existing and new debt, which may have a material and adverse effect on our business.

27. 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, health and safety regulations in the ordinary course of our business, including governmental inspections, licenses and approvals of our project plans and projects prior to and during construction. We are required to conduct an environmental assessment for most of our projects before receiving regulatory approval. If environmental problems arise during or after the commencement of construction of a project or if the government authorities amend and impose more stringent regulations, we will have to be in full compliance with applicable regulatory requirements at all times. We may need to incur additional expenses to comply with such new regulations or undertake remedial measures which may increase the cost of the development of the property. Further, we are subject to various labour laws and regulations governing our relationship with our employees and other contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. We cannot assure you that we will be in compliance with current and future environmental, health and safety, and labour laws and regulations at all times, and any potential liabilities arising from any failure to comply therewith will materially and adversely affect our business, financial condition and results of operations.

28. Our revenues are dependent on various factors and are therefore difficult to predict and can vary significantly from period to period, which could cause the price of the Equity Shares to fluctuate.

Under our existing business model, revenues in our real estate development business are derived primarily from the sale of commercial and residential developments, the leasing of commercial developments, retail developments and hospitality developments. While rental income can be relatively stable, revenues from sale of properties are dependent on various factors such as the size of our developments, the price at which such developments are sold, the extent to which they qualify for percentage of completion treatment under our revenue recognition policies, rights of lessors or third parties that could impair our ability to sell properties and general market conditions including those caused by the current global financial crisis. The completion dates for our projects are estimates based on current expectations, market demands and management estimates and could change. Any changes in the construction schedule could affect revenue recognition in our financial statements. 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 its future performance.

29. We enter into MoUs, agreements to sell and similar agreements with land owners to acquire land, interests in land (including acquisitions of land and interests in land through investment in entities) or to enter into development agreements, which entail certain risks.

We enter into MoUs, agreements to sell and similar agreements with land owners to acquire lands or interest

in the lands (including acquisitions of land and interests in land through investment in entities) or to enter into development agreements in the future. We also make partial payments to such land owners or entities and upon the successful completion of due diligence investigations we pay the remaining amount. We propose to acquire 5.88 acres situated at village Rancherada Taluka: Kalol, Dist: Gandhinagar for our one of our Forthcoming Project which constitutes approximately 23.5 % of our Land Reserves pursuant to which, we had paid approximately Rs 18.50 lacs and are required to pay a further sum of Rs 120.59 lacs under such agreements. For further details, see "Business Overview - Land Reserves" on page no 69. Our inability to acquire such land or land development rights, or our failure to recover any payments made by us with respect to such land, may adversely affect our business, financial condition and results of operation.

30. *Property litigation is common in India and time consuming, and some of the properties on which we are developing projects are the subject matter of litigation to which we are not a party.*

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/or have an adverse impact, financial or otherwise, on us. Some of our Completed Projects and certain parcels forming part of our Land Reserves are subject to litigation. For details, see "Outstanding Litigations and material developments" on page no.205. We may not be able to predict the impact of such litigation on us or our projects.

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

We expect to finance our growth through equity issuances, including through the Net Proceeds of this Issue, as well as through debt financings. We may not be successful in obtaining additional funds in a timely manner, on favourable terms or at all. In addition, the availability of borrowed funds for our business may be greatly reduced, and the lenders may require us to invest increased amounts of equity in a project in connection with both new loans and the extension of facilities under existing loans. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our acquisition plans or growth strategies or reduce capital expenditures and the size of our operations.

32. *We have limited experience in the development of large scale projects in the real estate business.*

We have recently focused on developing large scale projects. Our real estate business is focused on development of commercial and residential space and selling such space to business purchasers and buyers. Our growth and success will depend on the provision of high quality commercial and residential space to attract and retain customers, who are willing and able to pay purchase prices and on our ability to anticipate the future needs and expansion plans of such clients. Our success in this segment depends on our ability to anticipate and meet expectations of our customers, including with respect to quality of construction, amenities and convenience, which we may have difficulties in assessing given our limited experience. In the event we fail to anticipate the requirements of our customers or construct projects commensurate with their expectations, we may lose potential clients to our competitors, our reputation and goodwill from our customers may be adversely affected.

33. *We may require restructuring of Credit facilities obtained from the Bank.*

Due to financial crunches, Our Company has made restructuring of Credit Facilities from Central Bank of India by reschedulement of installments and interest has been done vide letter dated January 19, 2009 pertaining to following credit facilities availed of by our Company.

(Rs in lacs)

Name of Facility	Limit Sanctioned	O/S as on 25.12.2008
Term Loan for Dev Arc Shopping Complex at Ahmedabad	350.00	100.60
Term Loan for Dev Grand Mall, Anand	250.00	200.41
Overdraft	500.00	490.23
Total	1100.00	800.24

But Presently, Our Company is paying regularly installment and interest on the said Term Loan taken from CBI, Ahmedabad and from other banks as well.

34. We do not own our Registered and Corporate Office from which we operate.

We do not own the premises on which our Registered and Corporate Office is situated and operates from rented and leased premises. The lease agreements are renewable at our option upon payment of such rates as stated in these agreements. If the owner of such premises, being our Promoter and one of our group company, do not renew the agreement under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business and operations.

35. Our Company and one of our Group Companies were subjected to search/survey operations under the provisions of the Service Tax Act.

The Service Tax Department carried out search and survey operations under the provisions of the Service Tax Act on March 15, 2007 against *inter alia* our Company namely Dev Procon Limited (Previously Known as Dev Arcade Private Limited) and one of our Group Company namely Dev Dip Builders Pvt Ltd. During these operations, certain books of accounts and records were inspected and other informations demanded under the provisions of the Service Tax Act. During that year, Company and said Group Company were not paid Service Tax and during this search operation, Our Company and Group Company has paid Rs. 7 Lakh & Rs 1 Lakh as Service Tax with confirmation that they will pay additional Service Tax if any payable on detailed scrutiny of Service Tax Department on the basis of inspection of the books of accounts and informations gathered from the company in future period. No demand of Show Cause notice is issued by Service Tax Department till date. For further details please refer to the chapter titled“Outstanding Litigations and Material Developments” beginning on page -205.

36. We have experienced negative cashflows in prior periods. Any operating loss or negative cashflows in the future could adversely affect our results of operations and financial conditions.

The details of the negative cashflows of the company are as follows.

(Rs. In Lacs)

Particulars	Year Ended 31.03.010	Year Ended 31.03.2009	Year Ended 31.03.2008	Year Ended 31.03.2007	Year Ended 31.03.2006
Net cash (used in) / generated from operating activities	(2405.15)	(7493.77)	(4558.13)	(3005.67)	(486.69)
Net cash (used in)/ generated from investing activities	(480.78)	(182.72)	(1.51)	(281.96)	(0.08)
Net Cash generated from/ (used in) Financing activities	2864.69	7591.84	4682.91	3278.26	500.00
Net increase / (Decrease) in cash and cash equivalent	(21.24)	(84.64)	123.27	(9.37)	13.23

37. Our Promoters were subjected to search operations under the provisions of the Income Tax Act, 1961.

The Income Tax Department carried out search and survey operations under the provisions of the Income Tax Act, 1961 on February 09, 2005 against our Promoters namely Sanjay H. Thakkar and Dipak A. Thakkar During these operations, certain books of accounts and records were inspected and other informations demanded under the provisions of the Income Tax Act, 1961. Then, Income Tax Department has made assessment and demanded additional Income Tax. Our Promoters have paid the same and also made appeal against the said demand. For Details refer Page no. 205 under Outstanding Litigation and Material Developments.

EXTERNAL RISK FACTORS BEYOND THE CONTROL OF OUR COMPANY

Certain factors beyond the control of our Company could have a negative impact on our Company's performance, such as:

1. Changes in Government Policies and political situation in India

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. Our Company cannot assure you that these liberalization policies will continue in future. Protest against liberalization could slowdown the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, and foreign investment, currency exchange rates and other matters affecting investing in our securities could change as well.

The current Indian Government is coalition of several parties. The withdrawal of one or several parties could result in political instability, which may have adverse affect on the capital market and investor confidence.

Any adverse change in Government policies relating to the Real Estate Sector may have an impact on the profitability of the industry.

2. Our growth is dependent on the Indian economy. Any downturn in the Indian economy may affect our ability to raise debt financing, may lead to increased cost of financing or adversely affect the terms of financing.

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 its 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 could have an adverse effect on our results of operations and financial condition.

3. Force majeure events, terrorist attacks and other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial conditions and cash flows

Certain force majeure events, being beyond our control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India or other countries may adversely affect worldwide financial markets, which could lead to economic instability. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. More generally, any of these events could lower business confidence in India or other countries which could adversely affect our financial performance or the market price of the Equity Shares.

4. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. Natural calamities could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely affect our business and our results of operations.

5. Risk caused by changes in Interest rates and banking Policies

Our Company is dependent on various banks and financial institutions for arranging our Company's working capital requirements, term loans, etc. Accordingly, any change in the extant banking policy or increase in interest rates may have an adverse impact on our Company's profitability. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

6. *Change in India's debt rating*

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially effect our future financial performance, and the trading price of our equity shares.

7. *Land is subject to compulsory acquisition by the government and compensation in lieu of such acquisition may be inadequate.*

The Government has right under the provisions of the Land Acquisition Act, 1894 to compulsory purchase after making payment of compensation to the owner which, if used in respect of our land, may require us to relinquish land with minimal compensation and no right of appeal. 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, railways, airports and townships. If Government will take any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

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.*

FDI Regulations impose certain conditions on investments in the real estate sector in India. Government policy in respect of FDI in the real estate sector in India is regulated by Press Note 2 issued by the Government of India, Ministry of Commerce and Industry, which permits foreign direct investment of up to 100% subject to the project fulfilling certain specified conditions. Under the foreign exchange regulations currently in force in India, transfers of Equity 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 Equity 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.

9. *Trading of shares only in Dematerialised form*

Since the Equity Shares of our Company are required to be traded compulsory in demat form, shareholders who hold shares in Physical Form may not be able to trade in such Equity Shares unless they get their holding dematerialized.

10. *Volatility of share prices on listing*

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- i. Volatility in the Indian and global securities market;
- ii. Our results of operations and performance, in terms of market share;
- iii. Performance of the Indian economy;
- iv. Changes in Government policies;
- v. Changes in the estimates of our performance or recommendations by financial analysts;
- vi. Significant developments in India's economic liberalization and deregulation policies; and
- vii. Significant developments in India's fiscal and environmental regulations

Prominent Notes:

1. Public issue of 75,00,000 Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs [●] per Equity Share) aggregating Rs. [●] lacs by the Company. The Issue will constitute up to 30 % of our fully diluted post Issue paid-up capital.
2. The Issue is being made, under Regulation 26 (1) of the SEBI Regulations through a 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining QIB portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further at least 15 % of the issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35 % of the issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids received at or above the Issue Price.
3. Undersubscription, if any, in any category would be met by spillover from other categories or combination of other categories at the sole discretion of our company in consultation with BRLM . In case of inadequate demands from the mutual funds, the equity shares would be made available to QIBs other than Mutual Funds.
4. In the event of the issue being oversubscribed, the allocation shall be on a proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders.
5. The net worth of our Company was Rs. 1408.22 Lacs as on March 31, 2009 and Rs. 7584.90 Lacs as on March 31, 2010 as per our restated financial statements under Indian Accounting Policies.
6. The net asset value/ book value per Equity Share was Rs. 12.80 as on March 31, 2009 and Rs. 43.34 as on March 31, 2010 as per our restated financial statements under Indian Accounting Policies.
7. Investors are advised to refer to the section titled “Basis for Issue Price” on page no. 33.
8. The average cost of acquisition per Equity Shares (Face Value of Rs. 10) for our Promoters is as follows:

Promoter	Average cost of acquisition per Equity Share (In Rs.)*
Mr. Sanjay H Thakkar	42.87
Mr. Dipak A. Thakkar	32.38

**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. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them. For more information, please refer to the section titled “Capital Structure” on page no. 17*

9. Other than as stated in section on “Capital Structure” on page no. 17, we have not issued any Equity Shares for consideration other than cash.
10. Investors may note that allotment and trading in shares of the company would be made done only in dematerialized form.
11. For details of the transactions between our Company and our Group Companies or Subsidiaries, see section titled “Related Party Transactions on ” page no. 127.
12. For details of the Group Entities having business interests or other interests in the Issuer see “Financial Information of Group Companies /Entities” on page no. 105. and “Related Party Transactions” on page no. 127.
13. Our Company was originally incorporated as a private limited company in the name of Dev Arcade Pvt. Ltd, under the Companies Act, 1956 on June 6, 2005. The name of our company was changed from Dev Arcade Private Limited to Dev Procon Private Limited pursuant to a shareholders resolution dated 05/12/2009 and received a fresh certificate of incorporation on January 4, 2010 by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted to a public limited company and the name was changed to Dev Procon Limited, pursuant to a shareholders resolution dated 10/03/2010 and received a fresh certificate of incorporation on March 31, 2010. For further details, for including changes in our Memorandum of Association, see section titled ‘History and Certain Corporate Matters’ on page no.84..
14. 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.
15. Investors may contact the Book Running Lead Manager for any complaints, information or clarifications pertaining to the Issue. For contact details of the Book Running Lead Manager please refer to the section titled “General Information” beginning on page no. 10.
16. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI, no financing arrangements existed whereby the Promoter Group, our Promoters, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

SECTION III- INTRODUCTION

SUMMARY

The information in this section has not been independently verified by us, the Book Running Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

INDUSTRIAL OVERVIEW

Construction Industry in India

The real estate sector in India is mainly comprised of the development of residential housing, commercial buildings, hotels, restaurants, cinemas, retail outlets and the purchase and sale of land and development rights.

In past, the real estate sector in India was unorganized and characterized by various factors that impeded organized dealing, such as the absence of a centralized title registry providing title guarantee, a lack of uniformity in local laws and their application, the non-availability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values.

In recent years however, the real estate sector in India has exhibited a trend towards greater organization and transparency through various regulatory reforms. These trends have been reinforced by the substantial growth in the Indian economy, which stimulated demand for land and developed real estate. Demand for residential, commercial and retail real estate increased throughout India up to the first half of 2008, accompanied by increased demand for hotel accommodation and improved infrastructure. Also, the tax and other benefits applicable to Special Economic Zones ("SEZs") are expected to result in a new source of demand.

Real estate sector in India has witnessed robust growth over the past decade. The real estate and construction sectors play an important role in the overall development of India's core infrastructure. The rapid growth of the Indian economy has lead to increasing demand for commercial and residential developments. In India, real estate sector is estimated to generate the second highest level of employment after agriculture.

Further, Infrastructure development in India has been receiving a lot of focus from the Government of India with increasing budgetary allocations and increased funding by international financial institutions resulting in large infrastructure projects. The Indian economy is also in the early stages of a significant structural change with the participation of the private sector in large infrastructure projects in roads, ports, power, airports etc.

Infrastructure inadequacies in both rural and urban areas are a major factor constraining India's growth as pointed out in the Mid Term Appraisal of the 10th plan. Preliminary exercises suggest that investment in infrastructure defined as road, rail, air and water transport; power generation, transmission and distribution; telecommunication, water supply, irrigation and storage will need to increase from 4.6% of GDP to between 7 and 8% in the 11th Plan period.

Substantial National resources are being spent on building the assets and in the 11th Plan the pace of investment is going to enhance considerably where over Rs. 14 lakh crore is expected to be spent in development of Physical Infrastructure. The economy during the 11th Plan has some inherent strengths. Growth has been consistent at over 8% during past years. Savings are @ 29 % of GDP and the investment rate is close to 31%.

(Source: Planning Commission - An approach to 11th Five Year Plan - 9th December, 2006)

The size of the Indian real estate sector is estimated at US\$ 16 billion, growing at the rate of 30 % per annum. Total size of the Indian real estate market in terms of economic value of development activity is estimated at US\$ 40-45 billion representing about 5% of India's GDP..

Property markets in India began to exhibit signs of revival in the latter part of the FY 2009-10 backed by signs of economic stabilisation and moderate growth in global economic performances in the third and fourth quarters of 2009. But due to excessive supply in many micro-markets and the high inventory rates of quite a few developers, neither volumes nor prices are very likely to significantly appreciate in the medium term.

All this puts the economy on a stable pedestal and imparts inherent strength to take larger strides. It is envisaged that the deficits observed in agriculture sector would be bridged through contribution made by other sectors of economy and construction, indeed, shall play a key role.

Recent trends in the global investment front indicate a substantial increase in cross-border real estate investments in markets across the world. India leads the pack of top real estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute, a global non-profit education and research institute. The report, which provides an outlook on Asia-Pacific real estate investment and development trends, points out that India, particularly Mumbai and Delhi, are good destinations.

It has been observed that in certain mature Asian markets, positive sentiments have translated into higher occupier confidence. A few major locations in India too have seen a significant turnaround in the number of viewings/enquiries for commercial spaces in 2Q 2009, indicating rising interest and growth in activities. Despite weaker demand in 2009, the rise of activities in the sector can be taken as a positive indication for the country's realty sector. Coinciding with the return of buyer interest in select locations, land deals too have begun to stage a slow recovery. Land, being the key requisite for all real estate activities, is also the component which usually lags in the recovery cycle and hence a revival in this segment can be considered as an indication of gradual revival of the market.

Investments in Construction

Construction investments are expected to increase, to Rs 12,189 billion during the five year period from 2008-09 to 2012-13 from Rs 6,217 billion during 2003-04 to 2007-08 (2008-09 prices). This consists only of infrastructure and industrial investments. Roads and power continue to occupy a substantial share in infrastructure construction investments. This coupled with higher construction intensity augurs well for the construction industry in terms of larger opportunity size. Investments in the industrial sector are driven by capacity addition/expansion plans of companies operating in key sectors of the economy. However, construction intensity being lower, the basket of opportunities arising out of industrial investments is comparatively smaller. Metals and oil and gas, backed by higher operating rates, continue to drive industrial construction investments.

Gujarat Real Estate Scenario

Real estate in Gujarat is primarily driven by the robust industrial development in the state. As per the state government, MoUs worth Rs 22,754.5 crores were signed by various real estate development companies during Vibrant Gujarat: Global Investors' Summit 2009 for the development of projects relating to urban infrastructure, industrial parks, SEZs and tourism. Amongst the key locations, Ahmedabad is a rapidly developing state capital with one of the highest average household incomes in India. With presence of one of the largest industrial centre in western India along with a rapidly growing state economy, the city is expected to witness major developments in industrialization as well as urbanization. With tier 1 cities turning up to be expensive destinations due to high real estate costs companies are increasingly compelled to actively explore the untapped opportunity in cities such as Ahmedabad to meet the potential requirement of the industry. Emergence of IT/ITeS sector along with telecom and growing increasing presence of organized retail are clear indication of this trend and are likely to stimulate real estate sector in near future. The future anticipated growth in residential and commercial office space in Ahmedabad will eventually fuel growth of real estate sector in the city.

Vadodara and Surat are also an emerging real estate destination in Gujarat though in initiating stages. These cities enjoy great locational advantages mainly because of their close proximity to Ahmedabad and Mumbai and improved civic infrastructure. Factors such as industrialization, liberal state government policies and huge real estate investments have encouraged the growth of real estate sector in these cities. Also the existing low real estate values have made Gujarat as one of the favored destination for real estate investment.

Government Initiatives

In light of the global economic downturn, the government has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels. As part of the stimulus package announced by the government, coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector, the sector is likely to impact the Indian real estate sector in a positive way. RBI extended exceptional concessional treatment to the commercial real estate exposure which were restructured, up to June 30, 2009.

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

Real estate performance

With signs of economic stabilization and moderate growth in global economic performances in the third and fourth quarters of 2009, property markets in India began to exhibit signs of revival in the latter part of the year. But due to excessive supply in many micro-markets and the high inventory rates of quite a few developers, neither volumes nor prices are very likely to significantly appreciate in the medium term.

A few micro markets in India saw a significant turnaround in the number of viewings/enquiries for commercial office spaces in 2H 2009, indicating rising interest and growing activity within the sector. Certain mature micro-markets across the country also witnessed higher occupier confidence over the past few months, even as select micro-markets saw price rises matching the levels March 2008. With the return of liquidity (on the back of FDI, QIPs, non-core asset sales and banks reconsidering lending to the realty sector) in the real estate sector in recent months, cash flows of realty players improved too.

Even though the overall demand for real estate space saw a decline in 2009 over the previous years, the sector is expecting to see a demand growth in the next five years backed by inherently strong economic fundamentals.

BUSINESS OVERVIEW

Our Company has been promoted by Shri Sanjay H. Thakkar and Mr. Deepak Thakkar. Our Company is carrying on the business of Construction on property for commercial scale and dealing in land and buildings for commercial purposes and acting as Developers.

Shri Sanjay Thakkar started his career with a hotel in the name of 'Avakar' in Kalupur. Thereafter the group was doing real estate business under the proprietary concerns established by our promoters and concentrated only on residential projects, and thereafter started their business expansion by entering into commercial projects and mall development. Subsequently in 2005, Dev Procon Ltd (previously known as Dev Arcade Private Limited) was incorporated to do the real estate projects in its individual capacity.

We are engaged in the business of construction of real estate projects for commercial scale. Our existing range of business verticals spans across homes, offices, shopping malls, entertainment complexes. Our residential portfolio currently covers projects catering to customers across middle and higher income groups. The Homes business line involves a wide range of products including row houses, bungalows and apartments of varying sizes, with a focus on the middle and higher end of the market.

In our commercial portfolio, we build and sell customized office space as per the requirements of buyers. Our retail portfolio includes development of shops in select locations.

As on March 31, 2010, the Dev Group has completed approximately 19.99 lacs square feet of Residential, Commercial and Retail Projects. There are 6 ongoing projects of the Group and estimated saleable area of these

ongoing projects is approximately 13.30 lacs square feet. The Group has already planned to execute the 3 projects and the saleable area of these planned projects is estimated at approximately 1.01 lacs sq. ft.

Our Company has its ongoing and proposed real estates projects in the cities like Anand, Ahmedabad, and Vadodara.

SUMMARY FINANCIAL INFORMATION

Standalone Statement Of Assets And Liabilities, As Restated

	(Rs. In Lacs)				
<u>Particulars</u>	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
<u>A) FIXED ASSETS</u>					
Gross Block	464.43	441.76	259.04	182.04	0.08
Less : Depreciation	64.13	63.86	35.03	9.87	0.01
Add : Capital Work In Progress	0.00	0.00	0.00	0.00	0.00
Net Block	400.30	377.90	224.01	172.17	0.07
<u>(B) INVESTMENTS</u>	458.14	24.50	24.50	100.00	0.00
<u>(C) DEFERRED TAX ASSETS</u>	10.03	6.47	2.80	0.27	0.00
<u>(D) CURRENT ASSETS & LOANS & ADVANCES</u>					
Inventories	5215.31	4135.51	2837.37	151.32	0.00
Sundry Debtors	0.00	0.00	0.00	0.00	0.00
Cash & Bank Balance	21.25	42.49	127.14	3.86	13.23
Loan & Advances	16852.28	13789.06	7983.27	4515.73	616.72
Gross Current Assets	22088.83	17967.07	10947.77	4670.92	629.95
Total Assets	22957.32	18375.94	11199.09	4943.36	630.02
<u>Liabilities and Provisions</u>					
Secured Loan	6242.57	7253.90	3628.35	1027.74	0.00
Unsecured Loan	5300.13	7699.11	3732.82	2250.52	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00	0.01
<u>CURRENT LIABILITIES AND PROVISIONS</u>					
a) Current Liabilities	3712.32	1922.68	2503.19	1137.70	111.50
b) Provision	117.39	92.03	93.20	15.67	8.67
Total Current Liabilities	3829.71	2014.71	2596.40	1153.37	120.17
Sub Total (A)	15372.42	16967.72	9957.57	4431.63	120.18
Net Worth Represented by: Shareholders Funds:					
Share Capital	1750.00	1100.00	1100.00	500.00	500.00
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserves and Surplus	5903.44	350.95	175.97	13.93	12.77
	7653.44	1450.95	1275.97	513.93	512.77
Less: Miscellaneous Expenses	68.54	42.74	34.45	2.20	2.92
Tangible Net Worth (B)	7584.90	1408.22	1241.52	511.72	509.85
Total Liabilities (A+B)	22957.32	18375.94	11199.09	4943.36	630.02

Standalone Statement Of Profits & Losses ,As Restated

(Rs. In Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
<u>Income</u>					
Real Estate Dev., Contract & Other Operating Rev.	542.63	388.27	550.23	216.89	30.25
Increase / (Decrease) in Inventories	1079.79	1298.15	2686.04	151.32	0.00
Other Income (Recurring)	0.25	0.00	0.69	0.00	0.00
Other Income (Non-recurring)	0.00	0.00	0.04	0.00	0.00
Total	1622.67	1686.42	3237.00	368.21	30.25
<u>Expenditure</u>					
Cost of construction /Development	1005.37	1298.15	2686.04	151.32	0.00
Staff Costs	80.64	80.72	52.01	30.00	0.03
Administration expenses	205.81	38.75	168.24	22.79	8.06
Selling & Distribution expenses	4.05	4.21	58.47	137.56	0.00
Deffered Revenue Expenses written off	1.34	1.34	1.34	0.73	0.73
Total	1297.22	1423.17	2966.11	342.40	8.82
Profit/(loss) before Interest depreciation and taxes	325.45	263.25	270.89	25.81	21.43
Interest and finance charges	11.79	0.00	25.31	11.97	0.15
Depreciation	24.73	28.83	25.16	9.86	0.01
Profit before taxes	288.92	234.41	220.42	3.98	21.28
Restated Provision for taxes					
- Current Income Tax	90.00	61.31	58.10	2.07	8.49
- Deferred Income Tax	(3.56)	(3.67)	(2.54)	(0.27)	0.01
- Fringe Benefit Tax	0.00	1.79	2.81	1.02	0.01
- Effect of adjustments on tax	0.00	0.00	0.00	0.00	0.00
	86.44	59.43	58.37	2.82	8.51
Profit/(loss) after tax but before extraordinary items	202.49	174.98	162.05	1.16	12.77
Less: Goodwill written off	0.00	0.00	0.00	0.00	0.00
Restated Profit/(loss) after tax	202.49	174.98	162.05	1.16	12.77
Balance brought forward from previous year	350.95	175.97	13.93	12.77	0.00
Balance available for appropriation, as restated	553.44	350.95	175.97	13.93	12.77
<u>Appropriations</u>					
- Bonus Share	(275.00)	0.00	0.00	0.00	0.00
Total Balance Carried to Balance Sheet	278.44	350.95	175.97	13.93	12.77

Consolidated Statement Of Assets And Liabilities, As Restated

	(Rs. in Lacs)
Particulars	31.03.2010
<u>A) FIXED ASSETS</u>	
Gross Block	1113.26
Less : Depreciation	66.02
Add : Capital Work In Progress	2706.20
Net Block	3753.43
<u>B) INVESTMENTS</u>	15.57
-	
<u>(C) DEFERRED TAX ASSETS</u>	8.83
-	
<u>C) CURRENT ASSETS & LOANS & ADVANCES</u>	
Inventories	5215.31
Sundry Debtors	6.08
Cash & Bank Balance	1294.38
Loan & Advances	17494.65
Gross Current Assets	24010.42
Total Assets	27788.26
Minority Interest	0.00
<u>Liabilities and Provisions</u>	
Secured Loan	8418.47
Unsecured Loan	7330.37
Deferred Tax Liability	0.00
CURRENT LIABILITIES AND PROVISIONS	
a) Current Liabilities	4447.12
b) Provision	128.91
Total Current Liabilities	4576.03
Sub Total (A)	20324.87
Net Worth Represented by:	
Shareholders Funds:	
Share Capital	1750.00
Share Application Money	0.00
Reserves and Surplus	5903.44
Capital Reserve on Consolidation	9.45
Share of Profit from subsidiary	(0.00)
	7662.89
Less: Goodwill on Consolidation	0.09
Less: Miscellaneous Expenses	199.42
Tangible Net Worth (B)	7463.38
Total Liabilities (A+B)	27788.26

Consolidated Statement Of Profits & Losses ,As Restated

	(Rs. In Lacs)
Particulars	31.03.2010
<u>Income</u>	
Real Estate Dev., Contract & Other Operating Rev.	573.01
Increase / (Decrease) in Inventories	1079.79
Other Income (Recurring)	0.25
Other Income (Non-recurring)	0.00
Total	1653.05
<u>Expenditure</u>	
Cost of construction /Development	1005.37
Staff Costs	85.39
Administration expenses	217.89
Selling & Distribution expenses	4.05
Deffered Revenue Expenses written off	1.34
Total	1314.04
Profit/(loss) before Interest depreciation and taxes	339.01
Interest and finance charges	20.52
Depreciation	26.63
Profit before taxes	291.86
Restated Provision for taxes	
- Current Income Tax	91.75
- Deferred Income Tax	(2.36)
- Fringe Benefit Tax	0.00
- Effect of adjustments on tax	0.00
	89.39
Profit/(loss) after tax but before extraordinary items	202.47
Less: Goodwill written off	0.00
Restated Profit/(loss) after tax but before Minority Interest	202.47
Less: Amount Utilised in Elimination / (Increase) of The Cost of Investment in Subsidiary	9.37
Less: Share in Profit / (Loss) Transferred to Minority Interest	0.00
Restated Profit/(loss) after tax	193.10
Balance brought forward from previous year	360.34
Balance available for appropriation, as restated	553.44
<u>Appropriations</u>	
- Bonus Share	275.00
Total Balance Carried to Balance Sheet	278.44

THE ISSUE

Public Issue of our Equity Shares:	75,00,000 Equity Shares of face value of Rs. 10/- each
Of which:	
A. Qualified Institutional Buyers Portion of which:	At least 37,50,000 Equity Shares of face value of Rs. 10/- each aggregating Rs. [●] lacs constituting at least 50% of the Issue shall be mandatory allocated to QIB Bidders
(i) Available for allocation to Mutual Fund	Of the QIB Portion aforesaid, 1,87,500 Equity Shares of face value of Rs. 10/- each aggregating Rs. [●] lacs constituting 5% of the Issue shall be available for allocation on proportionate basis to Mutual Funds.
(ii) Balance for QIBs including Mutual Funds	Of the remaining QIB Portion, 35,62,500 Equity Shares of face value of Rs. 10/- each aggregating Rs. [●] lacs, available for allocation on proportionate basis to all QIB Bidders including Mutual Funds.
B. Non-Institutional Portion:	Not less than 11,25,000 Equity Shares of face value of Rs. 10/- each aggregating Rs. [●] lacs available for allocation on proportionate basis to Non-Institutional Bidders.
C. Retail Portion:	Not less than 26,25,000 Equity Shares of face value of Rs. 10/- each aggregating Rs. [●] lacs available for allocation on proportionate basis to Retail Individual Bidders.
Equity Shares outstanding prior to the Issue:	1,75,00,000 Equity Shares of Rs. 10/- each
Equity Shares outstanding post the Issue	2,50,00,000 Equity Shares of Rs. 10/- each
Use of proceeds by our Company:	See the section titled “Objects of the Issue” on page no. 24 of this Draft Red Herring Prospectus

Under-subscription, if any category would be met with spill over from other categories or combination of other categories at the sole discretion of our Company in consultation with the BRLM,. In case of inadequate demands from the Mutual Funds, the Equity Shares would be made available to QIBs other than Mutual Funds.

GENERAL INFORMATION

Dev Procon Limited

Our Company was incorporated under the Companies Act, 1956 as “Dev Arcade Private Limited” on dated 06/06/2005. Fresh Certificate of Incorporation dated 04/01/2010 obtained from the Registrar of Companies, Gujarat, Dadra & Nagar Haveli consequent to change in the name of our Company from Dev Arcade Private Limited to Dev Procon Private Limited. Fresh Certificate of Incorporation dated 31/03/2010 was granted consequent to change in the name of our Company due to change in the status of our Company from private limited company to public limited company by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. CIN No. of our Company is U45200GJ2005PLC046194.

REGISTERED OFFICE OF OUR COMPANY

"Dev House", Beside Rajpath Club, Nr Sankalp Restaurant, S G Highway, Ahmedabad - 380059 Gujarat, India.
Telephone: +91-79-40244444, +91- 9913700101, Fax No. : +91-79-40244445
Email : info@devgroupindia.com
Website : www.devgroupindia.com
Contact Person & Compliance Officer: Mr Ashok V Luste
Company Secretary: Ms Yesha H Thakkar

Details	Registration/Identification number
Registration Number	046194
Company Identification Number	U45200GJ2005PLC046194

ADDRESS OF REGISTRAR OF COMPANIES

Our Company is registered with the ROC, Gujarat, situated at the following address:

Registrar of Companies, Gujarat, Dadra & Nagar Haveli,
“ROC Bhavan”, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013.

BOARD OF DIRECTORS OF THE COMPANY

Name and Designation
Name: Mr Sanjay H Thakkar Designation: Chairman & Managing Director
Name: Mr. Dipak A Thakkar Designation: Whole-time director
Name: Mr. Sunilkumar N Patel Designation: Additional Director
Name: Mr. Hardayal T Manshani Designation: Independent Director
Name: Mr. Sharad J Mehta Designation: Independent Director
Name: Mr. Bhupendra D Thakkar Designation: Independent Director

Please refer the section “Our Promoters and Promoter Group” for brief profile of promoter directors and section “Our Management” for brief profile of other directors, on start page no 91 respectively of this Draft Red Herring Prospectus.

CONTACT PERSON & COMPLIANCE OFFICER

Our Contact Person and Compliance Officer is Mr. Ashok V Luste. His contact details are as follows:

Mr. Ashok V Luste
Dev Procon Limited
"Dev House", Beside Rajpath Club, Nr Sankalp Restaurant,
S G Highway, Ahmedabad – 380059, India.
Telephone: +91-79-40244444, +91- 9913700101, Fax No.: +91-79-40244445
Email : investor@devgroupindia.com
Website : www.devgroupindia.com

COMPANY SECRETARY

Our Company Secretary is Ms Yesha H Thakkar. Her contact details are as follows:

Ms. Yesha H Thakkar
Dev Procon Limited
"Dev House", Beside Rajpath Club, Nr Sankalp Restaurant,
S G Highway, Ahmedabad – 380059, India.
Telephone: +91-79-40244444
Fax No : +91-79-40244445
Email : cs@devgroupindia.com
Website : www.devgroupindia.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or refund orders etc.

BANKERS TO THE COMPANY

Central Bank of India
Corporate Finance Branch,
Laldarwaja, Ahmedabad – 380 001
Tel: +91-79-25511119, 25505516
Fax: +91-79- 25504411
Contact person: Mr. Bijal Shah
E-mail: www.centralbankofindia.co.in

Punjab National Bank
Shree Hari Avenue, Near Lal Gebi Ashram,
Guma Bus Stand, Ghuma, Ahmedabad,
Gujarat, India
Tel: +91-2717-230774/230775
Contact person: Mr. Anil Banta
E-mail: bo4977@pnb.co.in

The Mahila Vikas Co Op Bank Ltd
Swaminarayan Aveue, Nr Anjali Cross Road, Bhatta,
Vasna, Ahmedabad – 380007, Gujarat, India
Tel: +91-79-26607046/26605580
Fax: +91- 79- 26605580
Contact person: Mr. Gopesh S Nagori
E-mail: mvcbl_2008@yahoo.com

Axis Bank Ltd
2nd Floor, 3rd eye one, Nr Panchavati Crossing,
C G Road, Ahmedabad – 380 009
Tel: +91-79- 66147100, +91-79- 66147123
Fax: +91-79- 66147130
Contact person: Mr. Asim Bhaduri
E-mail: asim.bhaduri@axisbank.com

LEGAL ADVISOR TO THE COMPANY

Mihir V Lakhia

27B, Brahmashatriya Society, Pritamnagar
Ahmedabad – 380007, Gujarat, India
Tele: +91-79-26579771
Contact person: Mr. Mihir Lakhia
E-mail: mihirlakhia@yahoo.com

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER

Nirbhay Capital Services Private Limited

Address: 201, Maruti Crystal,
Opp. Rajpath Club, SG Highway,
Bodakdev, Ahmedabad-380054
Tel: +91-79-26870649, Fax: +91-79-26870228
E-mail: info@nirbhaycapital.com
Investor grievance Id: devipo@nirbhaycapital.com
Website: www.nirbhaycapital.com
Contact Person: Mr. Himanshu Nadiyana

SYNDICATE MEMBER

[•]

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited

Address: E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072
Tel: +91-22-4043 0200

Fax: +91-22 2847 5207

E-mail: info@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Ashok Shetty

STATUTORY AUDITORS OF THE COMPANY

M/s. Nautam R Vakil & Co.

(Firm Registration No with ICAI: 102443)

Chartered Accountants

16, New Ashish Flat, Opp. Shefali Centre, Nr Paldi Cross Roads,
Ellisbridge, Ahmedabad - 380006, Gujarat, India

Tel: +91-79-26575823, Fax: +91-79-66310823

Contact Person: Mr. Manan Vakil

E-mail: manan@nautamvakil.com

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

[•]

SELF CERTIFIED SYNDICATE BANKS

[•]

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLMs

Since Nirbhay Capital Services Private Limited is the sole BRLM for this Issue, all the Issue related activities are handled by Nirbhay Capital Services Private Limited.

CREDIT RATING

As this is an Issue of Equity Shares, credit rating is not required.

IPO GRADING

Our Company has appointed [●] for the purpose of IPO Grading.

[●]

This Issue has been graded by [●] as “[●]”, indicating [●] through its letter dated [●]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing of the RHP with the Registrar of Companies. Attention of the Investors is drawn to the disclaimer of [●] appearing on page [●] of the report of [●].

TRUSTEES

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

MONITORING AGENCY

No Monitoring Agency is required to be appointed by our Company for the Issue pursuant to Regulation 16 of the ICDR Regulations as Issue Size does not exceed Rs. 500 Crores.

APPRAISING ENTITY

None of the objects of the issue has been appraised by any entity Except one of our ongoing project namely Dev Exotica (Residential Project) which appraised by Punjab National Bank, Ghuma Branch, Ahmedabad.

BOOK BUILDING PROCESS

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized 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; and
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. The BRLM appoints the Syndicate Members, and
4. The Registrar to the issue.
5. Self Certified Syndicate Banks

The SEBI Regulations has permitted an issue of securities to the public through the 100% Book Building Process, wherein (i) up to 50 % of the Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB portion that shall be available for Allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Further, (ii) at least 15% of the Issue shall be available for allotment on a proportionate basis to Non Institutional Bidders and (iii) at least 35% of the Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Regulations for this Issue. In this regard, we have appointed the BRLM to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. In addition, QIBs are required to pay 100% margin amount upon submission of their Bids and the allocation to QIBs will be on a proportionate basis. For further details please refer the section titled “Terms of the Issue” on page no.233 of this Draft Red Herring Prospectus.

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

Steps to be taken by the Bidders for bidding:

- Check whether he/she is eligible for bidding;
- Bidder necessarily needs to have a demat account; and
- Ensure that the Bid cum Application Form/ASBA Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form/ASBA Form.

Illustration of Book Building and Price Discovery Process *(Investors should note that the following is solely for the purpose of illustration and is not specific to this 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, issue size of 3000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative equity shares Bid for	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 quantum of shares is the price at which the book cuts off i.e., Rs.22 in the above example. The issuer, in consultation with the BRLM will finalise the issue price at or below such cut off price i.e. at or below Rs.22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Though the process of Book Building is not new now, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Pursuant to SEBI Regulations, QIBs are not allowed to withdraw their Bids after Bid/ Issue Closing Date.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date but before the Allotment. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with 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.

Bid/Issue Programme

BID/ISSUE OPENS ON	FOR ALL BIDERS	[•], 2010
BID/ISSUE CLOSES ON	FOR QIBS	[•], 2010
BID/ISSUE CLOSES ON	FOR RETAIL AND NON INSTITUTIONAL BIDDERS	[•], 2010

1. Closure time of the Stock Exchange bidding platform for entry of bids is 5.00 P.M..

2. On the day of closing, extension of time will be granted by Stock Exchange only for uploading the bids received from Retail Investors after taking into account the total number of applications received upto the closure of timings for acceptance of application forms as stated in Offer Document and reported by BRLM to the Exchange within half an hour of such closure.
3. Bids not uploaded in the book, would be rejected.
4. In case of discrepancy in the data entered in the electronic book vis a 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.
5. Standardization of cut-off time for uploading of bids on the bid / issue closing date.
 - a) A standard cut-off time of 3.00 P.M. for acceptance of bids
 - b) A standard cut-off time of 4.00 P.M. for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
 - c) A standard cut-off time of 5.00 P.M. for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, when Bids shall be accepted only between 10.00 a.m and 3.00 p.m (Indian Standard Time).**

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 3.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. 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.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding 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 website of the BRLM and at the terminals of the syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to filing of the Prospectus with ROC, our Company and the Underwriters intend to enter into an Underwriting Agreement for the underwriting of the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill its underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and 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 completed before filing of the Prospectus with the ROC.)

Name and Address of Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Million)
Nirbhay Capital Services Private Limited Address: 201, Maruti Crystal, Opp. Rajpath Club, SG Highway, Bodakdev, Ahmedabad-380054	[●]	[●]

Tel: +91-79-26870649 Fax: : +91-79-26870228 E-mail: info@nirbhaycapital.com Investor grievance Id: devipo@nirbhaycapital.com Website: www.nirbhaycapital.com Contact Person: Mr. Himanshu Nadiyana		
[●]	[●]	[●]

The above-mentioned amount is an indicative underwriting and would be finalized after determination of the Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement has been entered into on [●], 2010 and has been approved by our Company's Board of Directors.

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

In the opinion of the Board of Directors (based on a certificate dated [●] given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. Each Underwriter is registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchanges.

CAPITAL STRUCTURE

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

(Rs. In Lacs)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	AUTHORIZED SHARE CAPITAL		
	5, 00, 00,000 Equity Shares of Rs. 10 each	5, 000	[●]
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
	1, 75, 00,000 Equity Shares of Rs. 10 each	1, 750	[●]
C)	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS*		
	75, 00,000 Equity Shares of Rs. 10 each	750	[●]
D)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL EQUITY CAPITAL AFTER THE ISSUE		
	2,50,00,000 Equity Shares fully paid up of Rs. 10 each	2500	[●]
E)	SHARE PREMIUM ACCOUNT		
	Before the Issue	5,625	[●]
	After the issue	[●]	[●]

* Our Company is considering a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Issue size would be reduced by the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue paid-up equity capital being offered to the public.

This Issue has been authorized by a resolution of our Board of Directors dated March 20, 2010 and a resolution of our shareholders in their Extraordinary General Meeting dated April 15, 2010.

CHANGES IN THE AUTHORIZED SHARE CAPITAL

The initial authorised share capital of our Company comprising Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each was increased to Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders of our Company dated November 14, 2005. The Authorised Share Capital of Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs. 10 each was increased to Rs. 11,00,00,000 divided into 1,10,00,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders of our Company dated May 28, 2007. The Authorised Share Capital of Rs. 11,00,00,000 divided into 1,10,00,000 equity shares of Rs. 10 each was increased to Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs. 10 each pursuant to a resolution of the shareholders of our Company dated December 30, 2009.

For details in change of the authorised capital of our Company, see “History and Certain Corporate matters” on page no.84

Notes to Capital Structure:

1. Share capital history of our Company

(a) Equity share capital history of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares fully paid up	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs. In Lacs)	Cumulative Share Premium (Rs. In Lacs)
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June 6, 2005	10,000	10	10	Cash	Subscriber to Memorandum of Association of our Company	10,000	1.00	Nil
November 22, 2005	49,90,000	10	10	Cash	Further Allotment to Promoter and Promoter Group	50,00,000	500.00	Nil
May 28, 2007	60,00,000	10	10	Cash	Further Allotment to Promoter	1,10,00,000	1100.00	Nil
February 10, 2010	27,50,000	10	Nil	Bonus*	Bonus in ratio of 1:4*	1,37,50,000	1375.00	Nil
March 5, 2010	37,50,000	10	160	Cash	Further Allotment to Promoters	1,75,00,000	1750.00	5625.00

* Our Company made a bonus issue of 27,50,000 Equity Shares to its existing shareholders in the ratio of 1 Equity Shares for 4 Equity Shares held by existing shareholders.

The Details of Bonus Issue made by the company and amount debited to share premium account and General Reserve are explained in the below mentioned table:

(Rs. In lacs)	
Bonus issue made during the financial year	2009-10
By Capitalisation of Accumulated Profit & Loss Account	275.00

2. Issue of Equity Shares in the last one year at a price lower than the Issue Price. These persons form a part of our Promoter & Promoter Group (including their immediate relatives).

Date of Allotment/Transfer	Allottees	No. of Shares	Issue Price (Rs)(Face value of Rs10 Each)	Nature of payment	Reason of allotment
February 10, 2010	Mr Sanjay H Thakkar	21,25,000	Nil	Nil	Bonus
February 10, 2010	Mrs. Rita S. Thakkar	6,25,000	Nil	Nil	Bonus

3. Promoters Contribution and Lock-in

All Equity Shares, which are being locked-in are not ineligible for computation of promoters contribution under Regulation 33 of the SEBI (ICDR) Regulations, 2009.

(a) History of the Share Capital held by the Promoters and Promoter Group

Sr. No.	Name of Promoter/ Promoter Group	Date of Allotment / Transfer	No of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction	% of Pre Issue Equity Share Capital
PROMOTERS :								
1	Mr. Sanjay H. Thakkar	June 6, 2005	5,000	10	10	Cash	Subscription to Memorandum	

							Of Association of our Company	
		November 22, 2005	24,95,000	10	10	Cash	Allotment	
		May 28, 2007	60,00,000	10	10	Cash	Allotment	
		February 10, 2010	21,25,000	10	Nil	Bonus	Bonus Issue in ratio of 1:4	
		March 1, 2010	3,75,000	10	10	Cash	Transfer*	
		March 5, 2010	32,68,750	10	160	Cash	Allotment	
	Total		1,42,68,750					81.54
* On March 1, 2010, Mrs. Rita S Thakkar transferred 3,75,000 Equity Shares to Mr. Sanjay H Thakkar								
2	Mr. Dipak A. Thakkar	March 1, 2010	27,45,000	10	10	Cash	Transfer*	
		March 5, 2010	4,81,250	10	160	Cash	Allotment	
	Total		32,26,250					18.43
* On March 1, 2010, Mrs. Rita S Thakkar transferred 27,45,000 Equity Shares to Mr. Dipak A Thakkar								
PROMOTERS GROUP:								
3	Devrushhi Reality Private Limited	March 1, 2010	1,000	10	10	Cash	Transfer*	
	Total		1,000					0.006
* On March 1, 2010, Mrs. Rita S Thakkar transferred 1,000 Equity Shares to Devrushhi Reality Private Limited								
4	Devrushhi Arcade Private Limited	March 1, 2010	1,000	10	10	Cash	Transfer*	
	Total		1,000					0.006
* On March 1, 2010, Mrs. Rita S Thakkar transferred 1,000 Equity Shares to Devrushhi Arcade Private Limited								
5	Devraj Builders Private Limited	March 1, 2010	1,000	10	10	Cash	Transfer*	
	Total		1,000					0.006
* On March 1, 2010, Mrs. Rita S Thakkar transferred 1,000 Equity Shares to Devraj Builders Private Limited								
6	Devdip Builders Private Limited	March 1, 2010	1,000	10	10	Cash	Transfer*	
	Total		1,000					0.006
* On March 1, 2010, Mrs. Rita S Thakkar transferred 1,000 Equity Shares to Devdip Builders Private Limited								
7	Devdip Malls Developers Private Limited	March 1, 2010	1,000	10	10	Cash	Transfer*	
	Total		1,000					0.006
* On March 1, 2010, Mrs. Rita S Thakkar transferred 1,000 Equity Shares to Devdip Malls Developers Private Limited								
	Total Shareholding of Promoters and Promoters' Group (1+2+3+4+5+6+7)		1,75,00,000					100

(b) Details of Promoters contribution locked in for three years

Pursuant to Regulations 32 and 36 of the SEBI (ICDR) Regulations, 2009, an aggregate of 20% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of allotment of Equity Shares in the Issue.

The details of such lock-in are given below:

Name of Promoter	Date of Allotment / Acquisition and when made fully paid up	Nature of allotment	Nature of consideration	No of Shares locked in	Face Value (Rs.)	Issue Price/Purchase Price (Rs.)	% of Pre Issue Paid up Equity Share Capital	% of Post Issue Paid up Equity Share Capital
Mr. Sanjay H Thakkar	May 28, 2007	Allotment	Cash	40,77,000	10	10	23.30	16.31
Dipak A Thakkar	March 1, 2010	Purchase	Cash	9,23,000	10	10	5.27	3.69
TOTAL`				50,00,000			28.57	20.00

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

The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. The Equity Shares to be locked-in for a period of three years have been computed as 20% of the equity capital after the issue.

Promoters. contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. Our Promoters have given their written consent for inclusion of the aforesaid Equity Shares as a part of Promoters' contribution which is subject to lock-in for a period of 3 years.

The Company hereby confirms that the minimum Promoters. contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years are not ineligible in term of regulation 33 of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 and does not consist of :

(a) Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution.

(b) Securities acquired by the Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.

(c) Equity Shares issued to the Promoters on conversion of partnership firms into limited company.

(d) Pledged Equity Shares held by the Promoters.

Details of Shares Locked in for 1 Years

In terms of regulation 37 of the SEBI (ICDR) Regulations, 2009, in addition to 20% of post-issue shareholding of the Company held by the Promoters for three years, as specified above, the entire pre-issue issued equity share capital of the Company, including the shareholding of persons falling under promoters, promoter group and non-promoter category, will be locked in for a period of one year.

The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as one year from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. The Promoters/promoter group/ other pre-IPO non-promoter shareholder have given their written consent for lock-in for a period of 1 year.

The Promoters have given an undertaking and have agreed not to sell / transfer /pledge /or dispose of in any manner, Equity Shares forming part of the Promoters. contribution from the date of filing of this Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

Other requirements in respect of lock-in

The share certificates which are in physical form for locked-in Equity Shares will carry an inscription “nontransferable” along with the duration of specified non-transferable period mentioned on the face of the share certificate as per Regulation 35(2) of the SEBI Regulations.

In terms of regulation 39 of the SEBI ICDR Regulations, Equity Shares held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:

(a) if the Equity Shares are locked-in for a period of three years as mentioned above, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of Equity Shares is one of the terms of sanction of the loan;

(b) if the Equity Shares are locked-in for a period of one year as mentioned above, the pledge of Equity Shares is one of the terms of sanction of the loan.

In terms of regulation 40 of the SEBI ICDR Regulations, Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the Equity Shares held by promoters and locked-in as per regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the Equity Shares held by persons other than promoters and locked-in as per regulation 37 may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred.

However, the lock-in on such Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

4. The shareholding pattern of our Company

The table below presents the shareholding pattern of our Company before the proposed Issue and as adjusted for the Issue:

Further details of Equity Shares held by our Promoters, See Notes to “Capital Structure” on page no. 17.

	Pre-Issue		Post-Issue	
Promoters/ Promoter Group	No. of Equity Shares held	Percentage of Equity Share Capital (%)	No. of Equity Shares held	Percentage of Equity Share Capital (%)
Promoters				
Mr. Sanjay H. Thakkar	1,42,68,750	81.54	1,42,68,750	57.08
Mr. Dipak A. Thakkar	32,26,250	18.43	32,26,250	12.91
Sub Total (A)	1,74,95,000	99.97	1,74,95,000	69.99
Promoter Group				
Devrush Reality Private Limited	1,000	0.006	1,000	0.004
Devrush Arcade Private Limited	1,000	0.006	1,000	0.004
Devraj Builders Private Limited	1,000	0.006	1,000	0.004
Devdip Builders Private Limited	1,000	0.006	1,000	0.004
Devdip Malls Developers Private Limited	1,000	0.006	1,000	0.004
Sub Total (B)	5,000	0.03	5,000	0.02
Promoter & Promoter Group (A+B)	1,75,00,000	100	1,75,00,000	70.000
Public (pursuant to the issue) (C)	0	0	75,00,000	30.000
Total share capital (A+B+C)	1,75,00,000	100	2,50,00,000	100.000

5. Equity Shares held by top ten shareholders

(a) On the date of, and ten days prior to the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Name	No. of Equity Shares	Percentage of Equity Share Capital (%)
1	Mr. Sanjay H Thakkar	1,42,68,750	81.54
2	Mr. Dipak A Thakkar	32,26,250	18.43
3	Devrush Reality Private Limited	1,000	0.006

4	Devrushu Arcade Private Limited	1,000	0.006
5	Devraj Builders Private Limited	1,000	0.006
6	Devdip Builders Private Limited	1,000	0.006
7	Devdip Malls Developers Private Limited	1,000	0.006

(b) Two years prior to the date of filing this Draft Red Herring Prospectus with SEBI:

S. No.	Name	No. of Equity Shares	Percentage of Equity Share Capital (%)
1	Mr. Sanjay H Thakkar	85,00,000	77.27
2	Mrs. Rita S Thakkar	25,00,000	22.73

6. Details of Transactions in Equity Shares by our Promoters and our Promoter Group

There has been no purchase or sale of Equity Shares by Promoters, Promoter Group, our Directors and their immediate relatives during the six month period immediately preceding the date on which the Draft Red Herring Prospectus, except as stated below.

Sr No	Date of Transfer	Name of Transferor	Name of Transferee	No of Shares transferred	Amount of Consideration Per Equity Shares	Nature of Consideration
1	01.03.2010	Mrs. Rita S Thakkar	Mr Sanjay H Thakkar	3,75,000	Rs. 10	Cash
2	01.03.2010	Mrs. Rita S Thakkar	Mr Dipak A Thakkar	27,45,000	Rs. 10	Cash
3	01.03.2010	Mrs. Rita S Thakkar	Devrushu Reality Pvt Ltd	1000	Rs. 10	Cash
4	01.03.2010	Mrs. Rita S Thakkar	Devrushu Arcade Pvt Ltd	1000	Rs. 10	Cash
5	01.03.2010	Mrs. Rita S Thakkar	Devraj Builders Pvt Ltd	1000	Rs. 10	Cash
6	01.03.2010	Mrs. Rita S Thakkar	Devdip Builders Pvt Ltd	1000	Rs. 10	Cash
7	01.03.2010	Mrs. Rita S Thakkar	Devdip Malls Developers Pvt Ltd	1000	Rs. 10	Cash

7. Details of Equity Shares held by our Directors, Key Management Personnel

Except as set forth below, none of our Directors or key managerial personnel holds Equity Shares in our Company:

S. No.	Name	No. of Equity Shares	Percentage of Equity Share Capital (%)	Percentage of Post Issue Paid up Equity Share Capital (%)
1	Mr. Sanjay H Thakkar	1,42,68,750	81.54	[●]
2	Mr. Dipak A Thakkar	32,26,250	18.43	[●]

This disclosure is made in accordance with Schedule VIII - Part A of the SEBI (ICDR) Regulations, 2009.

- There are no financing arrangements whereby the Promoters, the Promoter Group, the Directors of the Issuer or their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing draft offer document with the Board.
- Neither our Company, our Promoters, Directors nor the BRLMs have entered into any buy-back, safety net and/or

standby arrangements for the purchase of Equity Shares from any person.

10. Our Company has not raised any bridge loans against the proceeds of the Issue.
11. Except the Pre-IPO Placement, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
12. There are no outstanding warrants, options or other financial instruments or rights that may entitle any person to receive any Equity Shares in our Company.
13. Our Company made a bonus issue of 27,50,000 Equity Shares to its existing shareholders in the ratio 1:4 out of its accumulated profits and free reserves on February 10, 2010. Except as disclosed above our Company has not issued any Equity Shares out of revaluation reserves or for consideration other than cash.
14. The Equity Shares held by our Promoters are not subject to any pledge.
15. Under-subscription, if any, in the QIB category shall be allowed to be met with spill over from other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.
16. Neither BRLM nor their Associates held any equity shares in the Company.
17. Over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the Basis of Allotment. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked.
18. A Bidder cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
19. Our Promoters and members of our Promoter Group will not participate in the Issue.
20. Our Company has not made Merger, Amalgamation with any other entity since the date of incorporation. Hence No Equity Shares has been allotted under section 391-394 of the Companies Act, 1956.
21. The Issuer presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. Additionally, if our Company enters into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures we may enter into and/or we may raise additional capital to fund accelerated growth.
22. There will be only one denomination of Equity Shares unless otherwise permitted by law and our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. The securities offered through this Issue shall be made fully paid-up or may be forfeited within 12 months from the date of allotment of the securities as prescribed under Schedule VIII.2 (VI)(D)(2)(m) of the SEBI Regulations.
24. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.
25. For details of our related party transactions, see "Related Party Transactions" on page no.139 & 166.
26. The Issuer has 7 shareholders as of the date of this Draft Red Herring Prospectus.

OBJECT OF THE ISSUE

The Objects of the Issue are to:

- A.** Finance our Ongoing Projects;
- B.** Invest in our existing Subsidiaries which investment will be utilized for the construction and development of Ongoing and Proposed Projects undertaken by those Subsidiaries. Repay certain loan of our subsidiary;
- C.** Repay certain loans of our Company;
- D.** General corporate purposes.
- E.** To Meet Issue Expenses

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

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

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

Use of Net Proceeds

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

(Rs. In Lacs)							
S. No.	Expenditure Items	Total estimated cost	Amounts deployed / utilized as on July 31, 2010*	Balance to be deployed as on July 31, 2010	Amount up to which will be financed from Net Proceeds of the Issue	Estimated Net Proceeds utilization as on March 31,	
						31-Mar-11	31-Mar-12
A	Finance our Ongoing Projects						
	Dev Exotica (Residential Project)	2145.11	1413.46	731.65	731.65	658.48	73.16
	Dev 181 (Residential Project)	2381.49	169.28	2212.21	2212.21	1548.55	663.66
	Subtotal (A)	4526.60	1582.74	2943.86	2943.86	2207.03	736.83
B	Invest in our existing Subsidiaries for the construction and development of projects						
	Dev Procon Residency (Residential Project)	1325.38		1325.38	1325.38	927.76	397.61
	Dev Status (Residential Project)	751.76	8.00	743.76	743.76	520.63	223.13
	Repay Certain Loans of our Subsidiary						

S. No.	Expenditure Items	Total estimated cost	Amounts deployed / utilized as on July 31, 2010*	Balance to be deployed as on July 31, 2010	Amount up to which will be financed from Net Proceeds of the Issue	Estimated Net Proceeds utilization as on March 31,	
						31-Mar-11	31-Mar-12
	Axis Bank Limited	650.00		650.00	650.00	650.00	Nil
	Subtotal (B)	2727.13	8.00	2719.14	2719.14	2098.40	620.74
C	Repay certain loans of our Company						
	Punjab National Bank	500.00		500.00	500.00	500.00	Nil
	Central Bank of India	3000.00		3000.00	3000.00	3000.00	Nil
	Subtotal (C)	3500.00		3500.00	3500.00	3500.00	
D	General Corporate purposes	[●]	[●]	[●]	[●]	[●]	[●]
	Subtotal (D)	[●]	[●]	[●]	[●]	[●]	[●]
E	ISSUE EXPENSES	[●]	6.60	[●]	[●]	[●]	[●]
	GRAND TOTAL (A+B+C+D+E)	[●]	1597.34	[●]	[●]	[●]	[●]

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

Means of Finance

We intend to utilize the Net Proceeds of the Issue estimated at Rs. [●] for financing the growth of our business. We propose to fund certain of our Ongoing projects completely from the Net Proceeds of the Issue. We also propose to fund two of our Subsidiaries for the purpose of undertaking the development of two of our residential Ongoing Projects and proposed project and repayment of bank loan of our subsidiary. The funding of these projects is proposed to be made from the Net Proceeds of the Issue. We further propose to part prepayment of our company's loans from the Net Proceeds of the Issue.

Our fund requirements and deployment of the Net Proceeds of the Issue is based on internal management appraisals and estimates and not appraised by any bank or institutions. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy. However one of our residential Project "Dev Exotica" has been appraised by Punjab National Bank and sanctioned Rs.1200 Lacs Term Loan. Outstanding amount of the said loan is Rs.570.26 Lacs as on 31.07.2010 and we proposed to repay the said loan from the Net Proceeds of the Issue.

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

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of new projects, modifications in existing or planned developments, the initiatives we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities etc. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our cash flow from operations and/or debt.

DETAILS OF THE OBJECTS:

A. FINANCE OUR ONGOING PROJECTS

We are currently engaged, among others, in the construction and development of various residential, commercial, and retail projects. We intend to utilize the Net Proceeds of the Issue for two of our residential project which is part of our ongoing Projects.

We Propose to utilize Rs.2943.9 Lacs from the Net Proceeds of the issue to finance the given below projects, as follows.

S. No	Project Name	Developable Area (In Sq. Ft)	Project Implementation Schedule		@ Estimated construction and development costs (Rs. in Lacs)	* Amounts deployed as on July 31, 2010 (Rs. in Lacs)	Utilization of Net Proceeds towards construction and development cost
			Project Start Month	Estimated Completion month			
1	Dev Exotica	150534	December-2009	September-2011	2145.11	1413.46	731.65
2	Dev 181	183192	June-2010	December-2011	2381.49	169.28	2212.21
Total					4526.60	1582.74	2943.86

1. DEV EXOTICA (RESIDENTIAL PROJECT)

S. No	Project Name	Developable Area (In Sq. Ft.)	Project Implementation Schedule		@ Estimated construction and development costs (Rs. in Lacs)	* Amounts deployed as on July 31, 2010 (Rs. in Lacs)	Utilization of Net Proceeds towards construction and development cost
			Project Start Month	Estimated Completion month			
1	Dev Exotica	150534	December, 2009	September, 2011	2145.11	1413.46	731.65
Total		150534			2145.11	1413.46	731.65

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

Dev Procon Limited owns land measuring 1.47 acres in Ahmedabad over which the project is being undertaken. Development of the project has been commenced in December 2009 and is expected to be completed in September 2011. The total Developable Area is 150534 sq. ft.

The estimated schedule for deployment of Rs. 731.65 Lacs is as follows:

(Rs. In Lacs)

Total construction & development costs	Amounts deployed as on July 31, 2010 *	Amount to be financed from Net Proceeds @	Estimated schedule for deployment of Net Proceeds	
			31-Mar-11	31-Mar-12
2145.11	1413.46	731.65	658.48	73.16

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Note : We have availed Project Loan credit facility from Punjab National Bank on this Project. Punjab National Bank has sanctioned term loan of Rs.1200 Lacs, which is having outstanding of Rs.570.26 Lacs as on 31.07.2010 and same will be prepaid through the Net Proceeds of the Issue.

The particulars of the breakup of the development and construction costs related to DEV Exotica is as follows:

S. No.	Particulars	Rs. Per Sq. Ft	Total Cost (Rs. in Lacs)
1	Structural Work	800	1204.27
2	Finishing	250	376.34
3	Ancillary services including lifts, firefighting, lighting, sanitation, electrical, plumbing etc.	175	263.43
4	Consultancy/Architectural Charges	50	75.27
5	Interior and Other Works	100	150.53
7	Miscellaneous	50	75.27
Total		1425	2145.11

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Means of Finance

The total funds required for the development and construction of Dev Exotica is Rs.2145.11 Lacs. Of this, the Company proposes to invest Rs.731.65 Lacs which will be financed through the Net Proceeds. We have availed Project Loan credit facility from Punjab National Bank on this Project. Punjab National Bank has sanctioned term loan of Rs.1200 Lacs, which is having outstanding of Rs.570.26 Lacs as on 31.07.2010 and same will be prepaid through the Net Proceeds of the Issue.

2. DEV 181 (RESIDENTIAL PROJECT)

S. No	Project Name	Developable Area (In Sq. Ft)	Project Implementation Schedule		@ Estimated construction and development costs (Rs. in Lacs)	* Amounts deployed as on July 31, 2010 (Rs. in Lacs)	Utilization of Net Proceeds towards construction and development cost
			Project Start Month	Estimated Completion month			
1	Dev 181	183192	June-2010	December-2011	2381.49	169.28	2212.21
Total		183192			2381.49	169.28	2212.21

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

Dev Procon Limited owns land measuring 3.45 acres in Ahmedabad over which the project is being undertaken. Development of the project has been started in June 2010 and is expected to be completed in December 2011. The total Developable Area is 183192 sq. ft.

The Estimated schedule for deployment of Rs.2212.21 Lacs is as follows:

(Rs. in Lacs)				
Total construction & development costs	Amounts deployed as on July 31, 2010*	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds	
			31-Mar-11	31-Mar-12
2381.49	169.28	2212.21	1548.55	663.66

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

The particulars of the breakup of the development and construction costs related to DEV 181 is as follows:

S. No.	Particulars	Rs. Per Sq. Ft	Total Cost (Rs. in Lacs)
1	Structural Work	700	1282.34
2	Finishing	225	412.18
3	Ancillary services including lifts, firefighting, lighting, sanitation, electrical, plumbing etc.	175	320.59
4	Consultancy/Architectural Charges	50	91.60
5	Interior and Other Works	100	183.19
6	Miscellaneous	50	91.60
Total		1300	2381.49

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Means of Finance

The total funds required for the development and construction of Dev 181 is Rs.2381.49 Lacs. Of this, the Company proposes to invest finance of Rs.2212.21 through the Net Proceeds.

B. INVESTMENT IN OUR EXISTING SUBSIDIARIES FOR THE CONSTRUCTION AND DEVELOPMENT OF PROJECTS & REPAYMENT OF ITS EXISTING LOANS

We are currently engaged, among others, in the construction and development of two residential projects as part of our Ongoing Projects and Upcoming Projects through our Subsidiaries Devdip Arcade Private Limited and Dhamal Estates private limited. We intend to utilize the proceeds of the Net Proceeds of the Issue to invest in our Subsidiaries which investment will be utilized for the construction and development costs of the projects and repayment of loan to Axis Bank Limited taken by Devdip Arcade Private Limited to develop one of our projects. We propose to utilize Rs.2749.14 Lacs from the Net Proceeds to finance the above purpose, as follows:

(Rs. In Lacs)			
S. No	Particulars	Rs. In Lacs	Total Amount to be utilized from Net Proceeds
1	Devdip Arcade Private limited		1,393.76
	Construction of our Residential Ongoing Project – “Dev Status “	743.76	
	Repayment of Loan to Axis Bank	650.00	
2	Dhamal Estates Private Limited		1,325.38
	Construction of our Residential Proposed Project – “Dev Procon Residency”		
Total			2719.14

1. INVESTMENT IN DEVDIP ARCADE PRIVATE LIMITED

DEV STATUS (RESIDENTIAL PROJECT)

Devdip Arcade Private Limited, a company incorporated in 2006 under the Act is a Subsidiary of our Company wherein our Company holds 99.9% of the equity share capital. Our Company intends to invest Rs. 1423.76 Lacs of the Net Proceeds in this subsidiary, which in turn is proposed to be utilized towards the construction and development of our residential Upcoming project “Dev Status” and prepayment of loan availed by this subsidiary from Axis Bank Ltd.

S. No	Project Name – City	Developable Area	Project Implementation Schedule		@ Estimated construction and development costs	* Amounts deployed as on July 31, 2010	Utilization of Net Proceeds towards construction and
			Project Start Month	Estimated Completion month			

		(In Sq. Ft)			(Rs. in Lacs)	(Rs. in Lacs)	development cost
1	Dev Status	57827	July-2010	December-2011	751.76	8.00	743.76
Total		57827			751.76	8.00	743.76

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Devdip Arcade Private limited owns land measuring 0.46 acres in Ahmedabad over which the project is being undertaken. The project has been commenced in July, 2010 and is expected to be completed in December, 2011. The total Developable Area is 57827 sq. ft. Net proceeds of Rs.743.76 Lacs will be utilized in construction of the project as well as Rs.650.00 Lacs will be utilized in repayment of existing loan.

The estimated schedule for deployment of Rs. 1423.76 Lacs is as follows:

(Rs. In Lacs)					
Total construction & development costs (@)	Total Amount of Loan Repayable (!)	Amounts deployed as on July 31, 2010 (*)	Amount to be financed from Net Proceeds	Estimated schedule for deployment of Net Proceeds	
				31-Mar-11	31-Mar-12
751.76	650.00	8.00	1393.76	1170.63	223.13

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/08/2010

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

(!) Devdip Arcade Private limited is 99.9% Subsidiary of the Dev Procon Limited. “Dev Status Apartment” Scheme is being developed on the Land owned by Devdip Arcade Private Limited and there was existing structure on that land. Devdip Arcade Private Limited has taken Loan from Axis Bank Limited on this Land and Building. However to implement the “Dev Status Apartment” project existing Building was demolished and “Dev Status Apartment” project is being implement on that Loan. However Axis Bank Loan having outstanding of Rs.683.95 Lacs will be repaid to the extent of Rs.650 Lacs from net proceeds of the Issue and remaining amount from Internal accrual of the company.

The particulars of the breakup of the development and construction costs related to **Dev Status** are as follows:

S. No.	Particulars	Rs. Per Sq. Ft	Total Cost (Rs. in Lacs)
1	Structural Work	700	404.79
2	Finishing	225	130.11
3	Ancillary services including lifts, firefighting, lighting, sanitation, electrical, plumbing etc.	175	101.20
4	Consultancy/Architectural Charges	50	28.91
5	Interior and Other Works	100	57.83
6	Miscellaneous	50	28.91
Total		1300	751.76

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Means of Finance

The total funds required for the development and construction of Dev Status is Rs.751.76 Lacs. Of this, the Company proposes to invest Rs.743.76 Lacs which will be financed through the Net Proceeds. No dividends are assured. We will remain interested in Devdip Arcade Private Limited to the extent of our shareholding.

LOAN REPAYMENT TO AXIS BANK

The Company has entered a financing arrangement with Axis Bank Limited. Axis bank had sanctioned Rs.768 Lacs in Sep 2008 in the form of Term Loan. Its details are given below. As on July 31, 2010 the total amount of loan outstanding was Rs.658.64 Lacs. Out of this Rs.650 Lacs will be financed through the Net Proceeds and remaining will be financed through internal accrual of the company.

Term Loan No	Sanction Amount (Rs. In Lacs)	Tenor (In Months)	Interest Rate	Repayment Terms	Outstanding As on 31st March, 2010 (Rs. In Lacs)	Outstanding As on 31st July, 2010 (Rs. In Lacs)
TL 1	538.00	117	BPLR Less 2.75% (i.e. 13%)	EMI of Rs.748445	510.3	492.48
TL 2	230.00	108	BPLR Less 2.75% (i.e. 13%)	EMI of Rs.748445	173.65	166.16

2. INVESTMENT IN DHAMAL ESTATES PRIVATE LIMITED

DEV PROCON RESIDENCY (RESIDENTIAL PROJECT)

Dhamal Estates Private Limited, a company incorporated in 2009 under the Act is a Subsidiary of our Company where in our Company holds 99.9% of the equity share capital. Our Company intends to invest Rs. 1325.38 Lacs of the Net Proceeds in this subsidiary, which in turn is proposed to be utilized towards the construction and development costs of our residential Proposed Project, “DEV PROCON RESIDENCY”.

S. No	Project Name	Developable Area (In Sq. Ft)	Project Implementation Schedule		@ Estimated construction and development costs (Rs. in Lacs)	* Amounts deployed as on July 31, 2010 (Rs. in Lacs)	Utilization of Net Proceeds towards construction and development cost (Rs. in Lacs)
			Project Start Month	Estimated Completion month			
1	Dev Procon Residency	101952	October-2010	March-2012	1325.38	0.00	1325.38
Total		101952			1325.38	0.00	1325.38

Dhamal Estates Private Limited owns land measuring 1.88 acres in Ahmedabad over which construction and development project of “Dev Procon Residency” is being undertaken. Development of the project will be commenced in October 2010 and is expected to be completed in March, 2012. The total Developable Area is 101952 sq. ft.

The estimated schedule for deployment of Rs. 1325.38 Lacs is as follows:

(Rs. in Lacs)

Total construction & development costs	Amounts deployed as on July 31, 2010*	Amount to be financed from Net Proceeds @	Estimated schedule for deployment of Net Proceeds	
			31-Mar-11	31-Mar-12
1325.38	0.00	1325.38	927.76	397.61

* As per the certificate of the Nautam R. Vakil & Co. (membership No.102443) dated 1/1/2010

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

The particulars of the breakup of the development and construction costs related to **Dev Procon Residency** are as follows:

S. No.	Particulars	Rs. Per Sq. Ft	Total Cost (Rs. in Lacs)
1	Structural Work	700	713.66
2	Finishing	225	229.39
3	Ancillary services including lifts, firefighting, lighting, sanitation, electrical, plumbing etc.	175	178.42
4	Consultancy/Architectural Charges	50	50.98
5	Interior and Other Works	100	101.95
6	Miscellaneous	50	50.98
Total		1300	1325.38

@ As per the certificate of M/s Patel Alpeshkumar C. (Chartered Engineer AM No.80783/7) dated 09/08/2010

Means of Finance

The total funds required for the development and construction of Dev Procon Residency is Rs.1325.38 Lacs. Of this, the Company proposes to invest Rs.1325.38 Lacs which will be financed through the Net Proceeds. No dividends are assured. We will remain interested in Dhamal Estates Private Limited to the extent of our shareholding.

C. REPAYMENT OF LOANS

The Company has entered into various financing arrangements with banks, financial institutions, and other corporate entities. Arrangements entered into by the Company, includes borrowings in the form of secured loans, term loans and unsecured loans.

The Company intends to utilize the proceeds of the issue up to Rs. 3500 Lacs towards repayment of certain secured loans of the company. Some of the Company's financing arrangements contain provisions relating to prepayment penalty. The Company will take these provisions into considerations in pre-paying its debt from the proceeds of the Issue:

				(Rs. In Lacs)
S. No.	Secured Loans	Amount outstanding as on March 31, 2010	Amount outstanding as July 31, 2010	Total Amount of Loan Repayable from Net Proceeds
1	Central Bank of India	4050.06	3366.57	3000.00
2	Punjab National Bank	516.43	570.26	500.00
	Total	4566.52	3936.83	3500.00

For more information, see "Financial Indebtedness" on page no 197 .

D. GENERAL CORPORATE PURPOSES

We, in accordance with the policies of our Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes including acquisition of land, construction and development of projects, acquisition of fixed assets, investment in our Subsidiaries and Associates, repayment of debt or prepayment of penalties, strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

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

any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

E. ISSUE RELATED EXPENDITURE:

The expenditure of this issue include, among others, underwriting and issue management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated issue expenses are as follows:

S. No.	Activity Expense	Amount* (Rs. in Lacs)	Percentage of Total Estimated Issue Expenditure*	Percentage of Issue Size*
1	Fees of the Lead Manager	[●]	[●]	[●]
2	Fees to the Bankers to Issue	[●]	[●]	[●]
3	Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
4	Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
5	Registrar to the Issue	[●]	[●]	[●]
6	Other expenses (Grading Agency, Monitoring Agency, Legal Advisors, Auditors and other Advisors etc:)	[●]	[●]	[●]
	Total Estimated Issue Expenditure	[●]	[●]	[●]

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

Working Capital Requirement

The Net Proceeds of this Issue will not be used to meet our working capital requirements as we expect sufficient internal accruals to meet our existing working capital requirements. However to meet the future working capital requirements, if need be, we may avail additional bank finance.

Interim Use of Funds

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

Monitoring Utilization of Funds from Issue

The Audit Committee of the Board will monitor the utilization of the Issue proceeds. Furthermore, pursuant to clause 49 of the Listing Agreement, we shall disclose to the Audit Committee, the uses and application of funds under the heads as specified above, on a quarterly basis as a part of the quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the Offer Document, if any, and place it before the Audit Committee. Such disclosure shall be made only till such time that the full money raised through this Issue has not been fully spent. This statement shall be certified by the statutory auditors of the Company. The Audit Committee shall make appropriate recommendations to the Board to take up steps in this matter. Our Company shall inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also simultaneously make the material deviations/adverse comments of the Audit Committee public through advertisement in newspapers.

No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, our Directors, key management personnel or companies promoted by our Promoters except in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares 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 of the Equity Shares at the lower end of the price band and [●] times the face value at the higher end of the price band.

Investors should read the following summary with the Risk factors on page no xi and the details about the Company and its restated standalone & restated consolidated financial statements on page no 130 and 156 respectively.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the price, see .Business Overview. On page no 63 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is based on the restated financial statements of our company.

1. Earnings Per Share (EPS)

As per the restated Stand Alone financial information of the company

Year ended	Basic EPS	Diluted EPS	Weight
	(Rs.)	(Rs.)	
March 31, 2008	1.27	1.27	1
March 31, 2009	1.27	1.27	2
March 31, 2010	1.44	1.44	3
Weighted Average	1.36	1.36	

* Source : Auditor's Report On Restated Standalone Financial Information

As per the restated Consolidated financial information of the company

Year ended	Basic EPS	Diluted EPS	Weight
	(Rs.)	(Rs.)	
March 31, 2008	N.A.	N.A.	1
March 31, 2009	N.A.	N.A.	2
March 31, 2010	1.38	1.38	3
Weighted Average	1.38	1.38	

* Source: Auditor's Report On Restated Consolidated Financial Information

Note:

- Earnings per share calculations are in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The earnings per share has been computed on the basis of adjusted profits and losses for the respective years / periods after considering the impact of accounting policy changes, prior period adjustments / re-groupings pertaining to earlier years as per the Auditor's Report.
- The denominator considered for the purpose of calculating Earnings Per Share is considering the face value of each equity share as Rs. 10.

2. Price/Earning ratio ("P/E") in relation to the Issue Price of Rs. [●] per share of Face value of Rs.10 each

S. No.	Particulars	Standalone	Consolidated
a.	P/E ratio based on Basic EPS for the Fiscal 2010 at the Floor Price:	[●]	[●]
b.	P/E ratio based on diluted EPS for the Fiscal 2010 at the Floor Price:	[●]	[●]
c.	P/E ratio based on Basic EPS for the Fiscal 2010 at the Cap Price:	[●]	[●]
d.	P/E ratio based on diluted EPS for the Fiscal 2010 at the Cap Price:	[●]	[●]
e.	Industry P/E*		
	Highest	561.8	
	Lowest	4.1	
	Industry Composite	27.4	

* Source: Capital Market, Vol. Jul 26 – Aug 08, 2010, Category: Construction

3. Average Return on Net Worth (RONW %)

As per the restated Standalone financial Statement

Year ended	RONW (%)	Weight
March 31, 2007	13.1%	1
March 31, 2008	12.4%	2
March 31, 2010	2.7%	3
Weighted Average	7.7%	

As per the restated Consolidated financial Statement

Year ended	RONW (%)	Weight
March 31, 2007	N.A.	1
March 31, 2008	N.A.	2
March 31, 2010	2.6%	3
Weighted Average	2.6%	

Note: Return on Net worth as a percentage represents Net profit attributable to equity shareholders divided by Network.

4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2010:

a) Based on Basic EPS

At the Floor Price – [●]% and [●]% based on Standalone and Consolidated financial statements respectively.

At the Cap Price – [●]% and [●]% based on Standalone and Consolidated financial statements respectively.

b) Based on Diluted EPS

At the Floor Price – [●]% and [●]% based on Standalone and Consolidated financial statements respectively.

At the Cap Price – [●]% and [●]% based on Standalone and Consolidated financial statements respectively.

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

Period	NAV (Rs.)	
	Standalone	Consolidated
NAV as on March 31, 2009	12.80	N.A.
NAV as on March 31, 2010	43.34	42.65
Issue Price	[●]	[●]
NAV after the Issue	[●]	[●]

$$\text{NAV Per Share} = \frac{\text{Networth, as restated, at the end of the year}}{\text{Number of Equity Share outstanding at the end of the year}}$$

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

6. Comparison with other listed companies

The comparable ratios of the companies which are to some extent similar in business are as given below:

Name of the Company	Face Value (Rs.)	EPS (Rs.)	P/E	RONW (%)	NAV (Rs.)
Dev Procon Limited *	10	1.44	[●]	2.7	43.34
Peer Group					
D B Reality	10	9.3	40.8	32.8	127.3
Ganesh Housing	10	15.5	12.8	3.8	154.7
Godrej Properties	10	1.4	144.3	2.6	116.7
Omaxe	10	5.2	20.5	6.3	79.5
Parsvnath Devl.	10	6.7	19.6	6.1	111.7
Sobha Developers	10	13.5	24.5	9.6	174.2

Source: Capital Market, Vol. Jul 26 – Aug 08, 2010, Category: Construction. Except Dev Procon Limited

* Our EPS, RONW and NAV have been calculated from our audited restated standalone financial statements, as on March 31, 2010.

The Face value of the Share is Rs.10 per Equity Share and the Issue Price is [●] time of the face value.

The issue Price will be determined on the basis of the demand from the investors in accordance with the SEBI Regulations. The BRLM believe that the Issue Price of Rs. [●] per share is justified in view of the above qualitative and quantitative parameters. The investors should peruse the risk factors and the financials of the Company including important profitability and return ratios, as set out in the Auditor's report on page no. 130 & 156 of this Draft Red Herring Prospectus to have a more informed view of the investment.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Dev Procon Limited

Dear Sirs,

Statement of Possible Tax Benefits available to Dev Procon Limited and its shareholders

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

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

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

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

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

For Nautam R Vakil
Chartered Accountants

Manan Vakil
Partner
Membership No.: 102443
Firm ICAI Registration No: 106980W
Place: Ahmedabad
Date: July 31st, 2010

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

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

Special Tax Benefits

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

General Tax benefits

1. Under section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies on which dividend distribution tax is payable by such companies) received on the shares of a domestic company is exempt from tax in the hands of the shareholders.
2. As per section 10(35) of the Act, any income received from units of a Mutual Fund specified under section 10(23D) of the Act, is exempt from tax.
3. As per section 2(29A) read with section 2(42A) of the Act, shares held in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares in a company or a Unit of a Mutual Fund specified under clause (23D) of section 10 are held for more than twelve months.
4. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company. As per section 115JB, while calculating "book profits", the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 15% (plus applicable surcharge and education cess) on such book profits if 15% of "book profits" is higher than tax liability under normal provisions of the Act.
5. Our Company being inter-alia engaged in the business of developing and building commercial projects is eligible for deduction of thirty percent of the annual value of the property, [as determined under section 23 of the Act], with respect to the income from lease rentals that is assessed to tax under the head income from house property, under Chapter IV of the Act. If such income is assessed to tax as 'business income', under the head 'Profits and gains of business or profession', then allowance for depreciation and deduction for actual expenses incurred is available in terms of provisions of sections 29 to 37 of the Act.
6. As per the provisions of section 24(b) of the Act, where the property has been acquired, constructed, repaired, renewed or reconstructed by the Company with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income from house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or completion of construction of such property.
7. Under Section 32 of the Act, our Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, machinery, plant or furniture and intangible assets such as know-how, patents,

copyrights, trademarks, licenses, franchises or other business or commercial rights of similar nature if acquired on or after April 1, 1998, subject to satisfaction of conditions. In terms of sub section (2) of section 32 of the Act, our Company is entitled to carry forward and set off the unabsorbed depreciation arising due to absence / insufficiency of profits or gains chargeable for the previous year. The amount is allowed to be carried forward and set off in the succeeding previous years against any income (not restricted to business income) until the amount is exhausted, without any time limit.

8. Under Section 35 D of the Act, our Company will be entitled to a deduction equal to one fifth of the expenditure incurred of the nature specified in that section, including expenditure incurred on the present public issue of shares, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, subject to the stipulated limits specified in section 35D (3) of the Act. Other business expenses specifically referred to in sections 29 to 37 of the Act incurred by our Company are eligible for deduction in computing the taxable profits and gains of the business of our Company subject to conditions, if any, specified in the respective provisions.
9. Under section 49 of the Act, in cases where an asset held by the Company becomes its property under a gift, will, etc or under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the Company would be deemed to be the cost at which the previous owner of the asset acquired it. Further, on transfer of such asset by the Company, the period of holding of the previous owner would be included in the period of holding of the Company in order to determine the nature of capital gain (i.e. whether short term or long term).
10. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in a long term specified asset by an assessee during any financial year cannot exceed Rs.50 Lacs. However, such exempt capital gains cannot be reduced from "book profits" of the Company under section 115JB and the Company will be required to pay Minimum Alternate Tax @ 15% (plus applicable surcharge and education cess) on such book profits if 15 % of "book profits" is higher than tax liability under normal provisions of the Act. However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

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

11. As per provisions of section 71B of the Act, the Company is entitled to carry forward losses arising under the head income from house property, that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Income from house property" in such assessment year.
12. As per provisions of section 72 of the Act, the Company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off. However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company

would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the head's 'Interest on securities', 'Income from house property', 'Capital gains' and 'Income from other sources' or a company, the principal business of which is the business of banking or the granting of loans and advances)consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.

13. Under section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.
14. The Company is entitled to deduction under section 80G of the Act in respect of amounts contributed as donations to certain funds, charitable institutions etc. covered under that section, subject to fulfillment of conditions specified therein.
15. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess) However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to companies
16. As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is lower. All other long term capital gains (excluding capital gains on sale of depreciable assets) are chargeable at concessional rate of 20% (plus applicable surcharge and education cess).
17. Under section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward to be set off against the difference between normal tax liability and MAT, for a period of up to ten years succeeding the year in which the MAT credit arises.

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

1. Under section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act, will be exempt from tax to the extent of Rs 1,500 per minor child.
2. Under Section 10(34) of the Act, any income by way of dividends referred to in Section 115-O of the Act (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies on which dividend distribution tax is payable by such companies) received on the shares of a domestic company is exempt from income-tax in the hands of the shareholders.
3. As per section 2(29A) read with section 2(42A) of the Act, shares held in a company are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

4. Under Section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company, where such transaction is chargeable to securities transaction tax, shall be exempt from tax. However, in case of a company, such long term capital gains shall be taken into account in computing tax payable under section 115JB of the Act.
5. Under section 36(1) (xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profit and gains of business or profession”. However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.
6. Under section 48 of the Act, if the Company’s shares are sold after being held for not less than twelve months, the gains (in case not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition/ improvement. The indexed cost of acquisition/ improvement means an amount which bears to the cost of acquisition/ improvement the same proportion as cost inflation index for the year in which the asset is transferred, bears to the cost inflation index for the first year in which the asset was held/ for the year in which the improvement to the asset took place.
7. Under section 49 of the Act, in cases where the shares in the Company becomes the property of a shareholder under a gift, will, etc or under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the shareholder would be deemed to be the cost at which the previous owner of the shares acquired it. Further, on transfer of such shares by the shareholder, the period of holding of the previous owner would be included in the period of holding of the shareholder in order to determine the nature of capital gain (i.e. whether short term or long term).
8. Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets such as shares of the Company [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a “long term specified asset”, specified in the section. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs 50 Lacs. However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the April 1, 2007:
(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or
(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
9. Under Section 54F of the Act, where in the case of an individual or HUF capital gains arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] such as shares of the Company, then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. Such benefit will not be available:

(a) If the individual or Hindu Undivided Family-

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

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

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

10. Under section 72 of the Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head “Profits and gains from business or profession” in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off. However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads ‘Interest on securities’, ‘Income from house property’, ‘Capital gains’ and ‘Income from other sources’ or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.
11. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long-term capital gains.
12. Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% [plus surcharge (if applicable) and educational cess]. However, if the total income as reduced by such short-term capital gains of an individual or a HUF, is below the maximum amount which is not chargeable to income-tax, then, such gains will be reduced by the amount by which the total income falls short of the maximum amount which is not chargeable to income-tax and the balance amount will be subject to tax at the rate of fifteen percent. However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to the transferee of shares.

13. Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in a listed company, held for a period exceeding 12 months, shall be taxed at a rate of 20% [plus surcharge (if applicable) and educational cess] after indexation as provided in the second provision to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) without indexation, whichever is lower. However, if the total income as reduced by such long term capital gains of an individual or a HUF, is below the maximum amount which is not chargeable to income-tax, then, such gains will be reduced by the amount by which the total income falls short of the maximum amount which is not chargeable to income-tax and the balance amount will be subject to tax at the rate of twenty/ ten percent, as applicable.

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

General Tax Benefits

1. Under section 10 (34) of the Act, any income earned by way of dividends referred to in Section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1st April 2003 by domestic companies on which dividend distribution tax is payable by such companies), is exempt from tax in the hands of the shareholders.
2. Under section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for a period of more than twelve months immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. Under section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company where such transaction is chargeable to securities transaction tax, shall be exempt from tax. However, in case of a company, such long term capital gains shall be taken into account in computing tax payable under section 115JB of the Act.
4. Under section 36(1) (xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profit and gains of business or profession”. However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.
5. Section 48 of the Act contains special provisions in relation to computation of long term capital gain on transfer of an Indian company’s shares by non-residents. Under the first proviso to section 48 of the Act, in the case of a non resident shareholder, the capital gains/ loss arising from transfer of shares of the Company, acquired in convertible foreign exchange is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. The capital gain computed in the original foreign currency is then re-converted into Indian rupees at the prevailing/ prescribed rate of exchange. However, indexation benefit cannot be availed by non residents in computing the capital gains as prescribed above.
6. Under section 49 of the Act, in cases where the shares in the company becomes the property of a shareholder under a gift, will, etc or under a scheme of amalgamation, demerger, etc, the cost of acquisition of such shares in the hands of the shareholder would be deemed to be the cost at which the previous owner of the shares acquired it. Further, on transfer of such shares by the shareholder, the period of holding of the previous owner would be included in the period of holding of the shareholder in order to determine the nature of capital gain (i.e. whether short term or long term).
7. Under section 54EC of the Act, capital gains arising from the transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a “long term specified asset”, specified in the section. If only part of the capital gain is so reinvested, the

exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs.50 Lacs. However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

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

Under Section 54F of the Act, where in the case of an individual or HUF capital gains arise from the transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] such as shares of the Company, then such capital gains, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. Such benefit will not be available:

- (a) if the individual or Hindu Undivided Family-owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or Purchases another residential house other than the new house, within a period of one year after the date of transfer of the shares; or Constructs another residential house within a period of three years after the date of transfer of the shares; and
- (b) the income from such residential house, other than the one residential house owned on the date of transfer of shares of the Company is chargeable under the head “Income from house property”.

8. Under section 72 of the Act, the shareholder is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head “Profits and gains from business or profession” in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off. However, under section 73 of the Act, where the company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads ‘Interest on securities’, ‘Income from house property’, ‘Capital gains’ and ‘Income from other sources’ or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.
9. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years’ short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried

forward for eight years for claiming set-off against subsequent years' long-term capital gains.

10. Under section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% [plus surcharge (if applicable) and educational cess]. However, where no securities transaction tax is paid on the sale of equity share or a unit of an equity oriented fund, short term capital gains will be subjected to tax at the normal tax rate applicable to the transferee of shares.
11. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in a company, if such shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% [plus surcharge (if applicable) and educational cess]. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus surcharge (if applicable) and cess), without indexation benefit, at the option of the shareholder, in cases where securities transaction tax is not levied.
12. Taxation of 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 special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain income of Non- Residents".

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

Under section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the entire net consideration is reinvested in specified new assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted into money within three years from the date of their acquisition.

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

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

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

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

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

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

2. Under section 2(29A) read with section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.
3. Under section 10(38) of the Act, long term capital gains arising to the shareholder from transfer of a long term capital asset being an equity share in the company where such transaction is chargeable to securities transaction tax, shall be exempt from tax.
4. Under section 36(1) (xv) of the Act, securities transaction tax paid by a shareholder in respect of the taxable securities transactions entered into in the course of his business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profit and gains of business or profession". However, no deduction in respect of amount paid on account of securities transaction tax will be allowed in computing the income chargeable to tax as capital gains.
5. Under section 54EC of the Act, capital gains arising from the transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if such capital gains are invested within a period of six months from the date of transfer in a "long term specified asset", specified in the section. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs.50 Lacs. However, if the investor transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
 - or
 - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.
6. Under section 72 of the Act, the investor is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were first computed, and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. The set off is permissible even if the business in which the loss was sustained is not carried on in the year of set off. However, under section 73 of the Act, where the shareholder being a company is deemed to be carrying out speculation business, the losses incurred on such business would be permitted to be carried forward and set off only against profits and gains of another speculative business, for a period of 4 consecutive assessment years immediately succeeding the assessment year when the losses were first computed. In this regard, a company would be deemed to be carrying out speculation business where any part of the business of the company (other than a company whose gross total income consists mainly of income which is chargeable under the heads 'Interest on securities', 'Income from house property', 'Capital gains' and 'Income from other sources' or a company, the principal business of which is the business of banking or the granting of loans and advances) consists in the purchase and sale of shares of other companies, to the extent to which the business consists of the purchase and sale of such shares.
 7. Under Section 74 of the Act, short-term capital loss suffered during the year is allowed to be carried forward and set-off against short-term as well as long-term capital gains of a subsequent year. Such loss is permitted to

be carried forward for eight years immediately succeeding the year in which such loss arises, for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gain s. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

8. Under section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to securities transaction tax will be taxable under the Act at the rate of 15% (plus applicable surcharge and educational cess).
9. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provision of section 10(38) of the Act, at the following rates:

Nature of income Rate of tax (%)

Long term capital gains 10%

Short term capital gains (other than those 30 referred to in section 11 1A)

The above tax rates have to be increased by the applicable surcharge and education cess. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the indexation benefit on the cost of acquisition and without considering foreign exchange fluctuation protection benefit available under first and second provisos to section 48.

10. As per section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.
11. Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever is more beneficial.

V Benefits available to Mutual Funds – under the Act

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

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

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

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act (No 2), 2009, and in so far as the tax benefits pertaining to our Company is concerned, based on the present business/ activities undertaken by our Company.
2. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
3. The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
5. This statement is intended only to provide general information to the investors. It is not intended In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences of his/ her participation in the issue.

SECTION IV - ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW*

Indian Economy Overview

COUNTRY OVERVIEW

- Official name: Republic of India
- Region: South Asia
- Population: 1.15 billion people – largest democracy in the world
- Land area: 3,287,263 sq. km – 7th largest in the world
- Borders: Bangladesh and Myanmar to the east, China, Nepal and Bhutan to the north-east and Pakistan to the west. Arabian Sea to the south-west, Indian Ocean to the south and Bay of Bengal to the south-east.
- States: 28 states and 7 union territories
- Currency: Indian Rupees (INR)
- Capital: New Delhi
- Major cities: New Delhi, Mumbai, Chennai, Kolkata, Bangaluru, Hyderabad & Mumbai
- Official Language: Hindi, English



INDIA'S DEMOGRAPHIC PROFILE

Population

Total Population: 1,129.9 million (July 1, 2007 est. CIA) 1,028.7 million (2001 Census final figures, March 1, 2001 enumeration and estimated 124,000 in areas of Manipur that could not be covered in the enumeration)

Rural Population: 72.2%, male: 381,668,992, female: 360,948,755 (2001 Census)

Year	Total Population
1960	443,000,000
1970	553,000,000
1980	684,000,000
1990	838,141,000
2000	1,004,591,054
2005	1,095,054,669
2007	1,129,866,154

Table 1: Indian Population History

Source: Census of India

As per Census of India¹, the population of India is expected to increase from 1,029 million to 1,400 million during the period 2001-2026 - an increase of 36 percent in twenty-five years at the rate of 1.2 percent annually. As a consequence, the density of population will increase from 313 to 426 persons per square kilometre. Also, between 2001 and 2026, because of the declining fertility, the proportion of population aged under 15 years is projected to decline from 35.4 to 23.4 percent; the proportion of the middle (15-59 years) and the older ages (60 years and above) are set to increase considerably. With the declining fertility, along with the increases in life expectancy, the number of older

¹ Report of the Technical Group on Population Projections Constituted by the National Commission on Population; May 2006

• Source: on Report obtained from Cushman & Wakefield research dtd. 04.05.2010

persons in the population is expected to increase by more than double from 71 million in 2001 to 173 million in 2026 - an increase in their share to the total population from 6.9 to 12.4 percent. The proportion of population in the working age-group 15-59 years is expected to rise from 57.7 percent in 2001 to 64.3 percent in 2026.

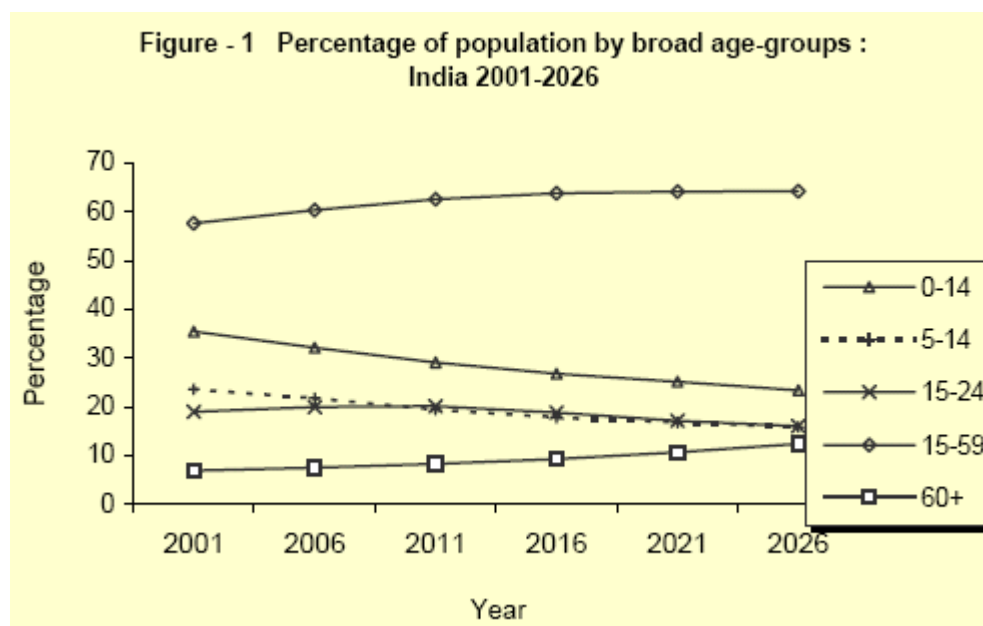


Figure 1: Population projection & distribution

Source: Census of India

Literacy

As per 2001 census, the average literacy rate in India stood at 65%. The average literacy rate among male and female population is approximately 75% and 54% respectively. Following table represents the literacy scenario in urban and rural areas:

Figures in Million		Total Persons	Male	Female
Total	No. of literates	561	337	224
	Literacy rate	65%	75%	54%
Rural	No. of literates	362	224	138
	Literacy rate	59%	71%	46%
Urban	No. of literates	199	113	86
	Literacy rate	80%	86%	73%

Table 2: Literacy rate

Source: Census of India

Employment

India's workforce is growing at a rate of 2.5 per cent annually, but employment is growing at only 2.3 per cent. Thus, the country is faced with the challenge of not only absorbing new entrants to the job market (estimated at seven million people every year), but also clearing the backlog².

² Source: GOI - Ministry of Labor

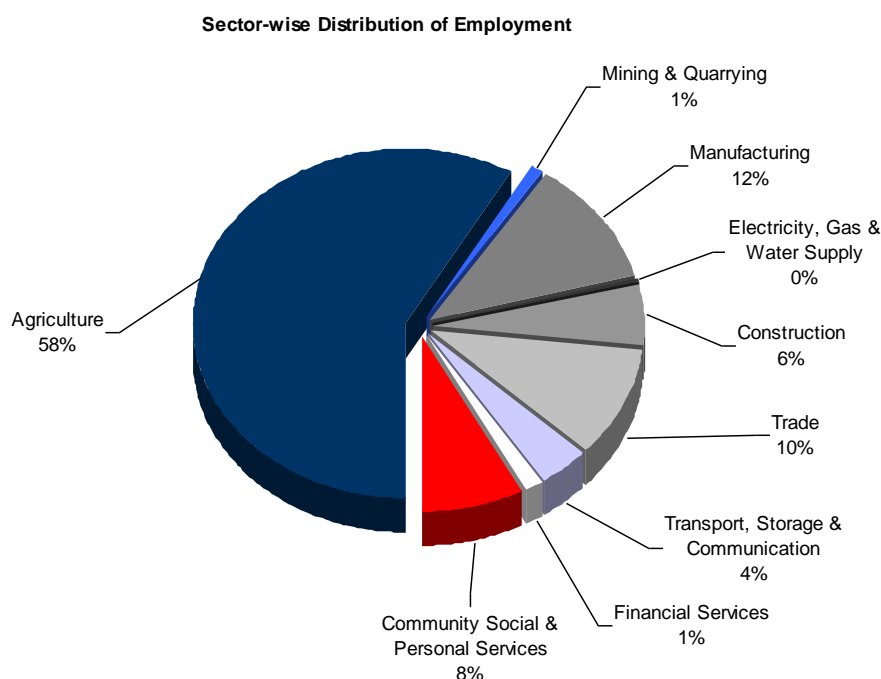


Figure 2: Sector-wise distribution of employment
Source: GOI; Ministry of Labor

KEY STATISTICS OF THE INDIAN ECONOMY

India is the world's second fastest growing major economy and it is the fourth largest, as measured by Purchasing Power Parity (PPP), behind only U.S, China and Japan. It is generally expected to overtake Japan as the world's third largest economy in absolute terms by 2032. (Source: Indian Economic Overview and Goldman Sachs "Dreaming with the BRICs (Brazil, Russia, India & China): The Path to 2050, October 2003). India has also emerged as a leading destination for foreign investment in the same time as its economy is experiencing strong growth momentum. The growth is attributed to its stable political outlook, growing foreign exchange reserves, sustained growth in services and industrial sectors, young demographic profile and regulated financial environment. Further underlying the growth fundamentals are positive economic indicators such as a stable 7%-8% annual Gross Domestic Product (GDP) growth, rising foreign exchange reserves (as of Sept' 30, 2009 US\$ 281 billion), positive FDI inflow (estimated to be US\$ 20.91 billion during April-December 2009 by the Indian government), and more than 20% growth in exports per annum.

The Reserve Bank had projected the real GDP growth for 2009-10 at 7.5 per cent. The advance estimates released by the Central Statistical Organisation (CSO) in early February 2010 placed the real GDP growth during 2009-10 at 7.2 per cent. The final real GDP growth for 2009-10 may settle between 7.2 and 7.5 per cent.³

As per data from RBI's Annual Policy Statement for the Year 2010-11, the uptrend in industrial activity has continued. The index of industrial production (IIP) recorded a growth of 17.6 per cent in December 2009, 16.7 per cent in January 2010 and 15.1 per cent in February 2010. The recovery has also become more broad-based with 14 out of 17 industry groups recording accelerated growth during April 2009-February 2010. The sharp pick-up in the growth of the capital goods sector, in double digits since September 2009, points to the revival of investment activity. After a continuous decline for eleven months, imports expanded by 2.6 per cent in November 2009, 32.4 per cent in December 2009, 35.5 per cent in January 2010 and 66.4 per cent in February 2010. The acceleration in non-oil imports since November 2009 further evidences recovery in domestic demand. After contracting for twelve straight months, exports have turned around since October 2009 reflecting revival of external demand. Various lead indicators of service sector activity also suggest increased economic activity. On the whole, the economic recovery, which began around the second quarter of 2009-10, has since shown sustained improvement.

GROWTH RATE OF REAL GDP®

³ Source: RBI Annual Policy Statement for the Year 2010-11

Key Indicators	2007-08*	2008-09 [#]	2009-10 Q1
Agriculture & Allied activities	4.9	1.6	2.4
Industry	7.4	2.6	4.2
Mining & Quarrying	3.3	3.6	7.9
Manufacturing	8.2	2.4	3.4
Electricity, Gas & Water supply	5.3	3.4	6.2
Services	10.8	9.4	7.7
Trade, Hotels, Transport, Storage & Communication	12.4	9	8.1
Financing, Insurance, Real Estate & Business Services	11.7	7.8	8.1
Community, Social & Personal Services	6.8	13.1	6.8
Construction	10.1	7.2	7.1
Real GDP at Factor Cost	9.0	6.7	6.1
(Amount in INR Crore)			
Real GDP at Factor Cost (1999-2000)	31,29,717	33,39,375	
GDP at Current market prices	47,23,400	53,21,753	
@: At 1999-2000 Prices			
*: Quick Estimates			
#: Revised Estimates			

Table 3: Economic Growth indicators
Source: Central Statistical Organisation; RBI Q2 review 2009-10

However, the developments on the inflation front are worrisome. The headline inflation, as measured by year-on-year variation in Wholesale Price Index (WPI), accelerated from 0.5 per cent in September 2009 to 9.9 per cent in March 2010, exceeding the Reserve Bank's baseline projection of 8.5 per cent for March 2010 set out in the Third Quarter Review. Year-on-year WPI non-food manufactured products (weight: 52.2 per cent) inflation, which was (-) 0.4 per cent in November 2009, turned marginally positive to 0.7 per cent in December 2009 and rose sharply thereafter to 3.3 per cent in January 2010 and further to 4.7 per cent in March 2010. Year-on-year fuel price inflation also surged from (-) 0.7 per cent in November 2009 to 5.9 per cent in December 2009, to 8.1 per cent in January 2010 and further to 12.7 per cent in March 2010. Despite some seasonal moderation, food price inflation remains elevated⁴.

On the monetary front, as per data available from Ministry of Finance; the variation in reserve money during the financial year 2009-10 (upto December 18, 2009) had shown an increase of 2.9 per cent as compared to a decline of 4.5 per cent in the corresponding period of the previous year. The year on year variation, revealed an increase of 14.7 per cent as on December 18, 2009, compared to an increase of 9.7 per cent on the corresponding date of the previous year. An important source of reserve money, namely, net foreign exchange assets (NFA) of the RBI recorded an increase of only 1.4 per cent (during the financial year) as on December 18, 2009 as compared to a decline of 3.4 per cent in the same period last year. The year on year growth rate of NFA, as on December 18, 2009, recorded an increase of 8.7 per cent compared to an increase of 10.8 per cent on the corresponding date of last year.

MONETARY POLICY

The Reserve Bank has announced the following policy measures as part of the Annual Policy Statement for 2010-11:

With respect to the repo rate, it has been decided to increase the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 5.0 per cent to 5.25 per cent with immediate effect. The reverse repo rate has been increased under the LAF by 25 basis points from 3.5 per cent to 3.75 per cent with immediate effect. RBI has increased the cash reserve ratio (CRR) of scheduled banks by 25 basis points from 5.75 per cent to 6.0 per cent of their net demand and time liabilities (NDTL) effective the fortnight beginning April 24, 2010.⁵

During 2008, reacting to the extreme conditions posed by the global economic recession and its apparent effect on India's economy, the Reserve Bank of India (RBI) had introduced contractionary policies where the cost of funds (money) was increased in order to curtail growth and reduce inflationary pressures, while during 2009 the RBI,

⁴ Source: RBI Annual Policy Statement for the Year 2010-11

⁵ Source: RBI Annual Policy Statement for the Year 2010-11

adopted a more expansionary policy. Contractionary policies which mopped up liquidity from the economy, coupled with the global turmoil accentuated the economic crisis in India which also resulted in growth moderation and had ripple effects across all industries including real estate. Internationally, after having failed to restore order via more conventional methods, central banks have resorted to unconventional measures such as quantitative and credit easing, the RBI on the other hand has been ahead of the economic curve by taking corrective measures to prevent a de-growth.

FISCAL POLICY

As per Union Budget FY2010-11, India's fiscal deficit for FY2009-10 is pegged at 6.9 %, an increase over the previous estimate of 6.8 %. The government has proposed fiscal deficit of 5.5 % with total expenditure at Rs 11.09 lakh crore on estimated revenue of total tax and non-tax at Rs 6.82 lakh crore for FY2010-11.

SECTORAL OVERVIEW

Agriculture

Growth of the Indian economy is to a large extent influenced by the performance of the agriculture sector. It accounts for 52 % of the employment in the country. Apart from being the provider of food and fodder, its importance also stems from the raw materials that it provides to industry. The prosperity of the rural economy is also closely linked to agriculture and allied activities. The rural sector (including agriculture) is being increasingly seen as a potential source of domestic demand; a recognition, that is shaping the marketing strategies of entrepreneurs wishing to widen the demand for goods and services. In the first quarter of FY2009-10, agriculture and allied sector recorded a growth of 2.4 % and contributed 17% of GDP during FY2008-09.

Industry

The industrial sector has shown clear signs of revival in recent months. The index of industrial production (IIP) increased at a rate of 11.7 % during November 2009 as compared to 2.5 % in the corresponding period of the previous year. The cumulative growth rate of the IIP during the period April to November 2009 has also been impressive at 7.6 %. In terms of industries, as many as 14 out of the 17 industry groups have shown positive growth during November 2009 as compared to the corresponding month of the previous year.

Production of basic goods grew by 6 % while capital goods recorded a growth rate of 12.2 % and intermediate goods grew by 19.4 % in November 2009 over November 2008. Consumer durables and consumer non-durables recorded growth of 37.3% and 3.1% respectively, with the overall growth in consumer goods being 11.1%.⁶

Services

Structure of the Indian economy has undergone considerable change in the last decade. The services sector has become a major part of the economy with GDP share of over 50% and the country becoming an important hub for exporting IT services.

India featured among the top 10 exporters of commercial services in the world in 2008. Finance, insurance, real estate and business services grew by 7.7 % in Q2 of FY2009-10 as compared to 6.4 % in Q2 of FY2008-09.

REVIVED ECONOMIC SCENARIO - 2010

Overseas investors have infused US\$ 816.69 million into the stock market in the first trading week of 2010, reflecting a positive start for the year after record inflows in the last year. Foreign Institutional Investors (FIIs) were net investors of US\$ 973.22 million in debt instruments in the first trading week of the year, according to the data released by Securities and Exchange Board of India (SEBI). As per January 2010 monthly economic digest published by Maharashtra Economic Development Council (MEDC), the wealth of foreign institutional investors (FIIs) in leading Indian companies now stands at more than double the level a year ago – owing to the market rally in recent months. The market capitalization of FII stake in 25 major industrial houses rose 156.8% to Rs. 2.26 lakh crore on December 1, 2009 from Rs. 88,203 crore on December 1, 2008.

According to data from the Securities and Exchange Board of India (Sebi), FIIs pumped in \$4.54 billion (Rs20,203 crore today) net of selling in January-March 2010. Of this, \$3.07 billion came to the secondary market and the rest to the primary market in the form of subscriptions to initial public offerings and qualified institutional investments.

According to Indian Brand Equity Foundation, in 2009 alone, India received approximately USD 5.5 billion of FIIs out of a total of USD 23 billion that flowed into emerging markets. India also received close to 25% of the portfolio

⁶ Source: Ministry of External Affairs

funds coming into markets in Asia, Africa and Latin America. This is significant in the light of the fact that till 2007, India had received less than 15% of the funds flowing into these emerging markets.

Consumers in India continued to be optimistic slightly more than what they were six months ago, as per a 2009 MasterCard Worldwide Index of Consumer Confidence survey. "In India consumers are more optimistic than six months ago (68.0) and a year ago (63.9)," said the study. Additionally, India ranks second with 117 points in consumer confidence in the fourth quarter of 2009, according to the Nielsen Global Consumer Confidence survey. The survey results indicate that the recovery from the global economic downturn is faster in India as compared with other countries in the world.

India's local currency rating outlook has been raised to 'positive' from 'stable' by Moody's Investors Service in December 2009 on the back of the country's demonstrated resilience to the global crisis and expectation that it will resume its high growth path. The global credit rating major also held out the possibility of upgrade of the local currency bond rating. Simultaneously, the agency also raised the ceiling on banks' foreign currency deposits to 'Ba1' from 'Ba2' to reflect the robust external position of India better. Both 'Ba1 and 'Ba2' ratings, according to Moody's definition, fall in the speculative grade category.

Of the more than 200 companies from over 50 countries that form part of the World Economic Forum's Global Growth Companies (GGC) Community, India today has the second largest representation, with a total of 18 GGCs. Indian GGCs come from every sector, with a strong representation in information technology and electronics, retail, consumer goods and banking. The GGC Community was formed to engage high-growth companies with the potential to be tomorrow's industry leaders and drive economic and social change.

India ranks 49 among 133 countries in FY2009-10 in the global competitiveness index (GCI) prepared by the World Economic Forum (WEF), an improvement of one position from last year. India's position is a result of mixed performance across 12 categories covered by the GCI. India is amongst countries such as Canada, Norway, Australia, China & Brazil which have recorded a perceived positive impact of the global economic crisis on their competitiveness perspective.

India's trade confidence remains higher than the regional average as small and mid-market business in India continue to be optimistic about their trade outlook, as indicated by the latest HSBC Trade Confidence Index, which covers a total of 12 markets, including key economies in the Asia-Pacific region. The businesses surveyed continued to be confident with an Index of 117, an increase over the second quarter index of 115. The prospect of a global economy recovery has driven confidence across the board, supported by a sustained confidence in the domestic economy.

There is ample reason for India's viability as a destination for foreign investment. In addition to the above-mentioned macroeconomic indicators, higher disposable incomes, emerging middle class, low cost competitive workforce, investment friendly policies and progressive reform process all contribute towards India being an appropriate choice for investors.

Indian real estate scenario

Real estate sector in India has witnessed robust growth over the past decade. The rapid growth of the Indian economy has led to increasing demand for commercial and residential developments. In India, real estate sector is estimated to generate the second highest level of employment after agriculture.

The size of the Indian real estate sector is estimated at US\$ 16 billion, growing at the rate of 30 % per annum. Total size of the Indian real estate market in terms of economic value of development activity is estimated at US\$ 40-45 billion representing about 5% of India's GDP⁷.

Property markets in India began to exhibit signs of revival in the latter part of the FY 2009-10 backed by signs of economic stabilisation and moderate growth in global economic performances in the third and fourth quarters of 2009. But due to excessive supply in many micro-markets and the high inventory rates of quite a few developers, neither volumes nor prices are very likely to significantly appreciate in the medium term.

A few micro markets in India saw a significant turnaround in the number of viewings/enquiries for commercial office spaces in 2H 2009, indicating rising interest and growing activity within the sector. Certain mature micro-markets across the country also witnessed higher occupier confidence over the past few months, even as select micro-markets saw price rises reaching close to the levels witnessed in March 2008. With the return of liquidity (on the back of FDI, QIPs, non-core asset sales and banks reconsidering lending to the realty sector) in the real estate sector in recent

⁷ Source: www.ibef.org

months, cash flows of realty players improved too. Cash flows for the end user however, still remain comparatively constricted due to the slow pace of recovery of the global job market.

Recent trends in the global investment front indicate a substantial increase in cross-border real estate investments in markets across the world. India leads the pack of top real estate investment markets in Asia for 2010, according to a study by PricewaterhouseCoopers (PwC) and Urban Land Institute, a global non-profit education and research institute. The report, which provides an outlook on Asia-Pacific real estate investment and development trends, points out that India, particularly Mumbai and Delhi, are good destinations⁸.

It has been observed that in certain mature Asian markets, positive sentiments have translated into higher occupier confidence. A few major locations in India too have seen a significant turnaround in the number of viewings/enquiries for commercial spaces in 2Q 2009, indicating rising interest and growth in activities. Despite weaker demand in 2009, the rise of activities in the sector can be taken as a positive indication for the country's realty sector. Coinciding with the return of buyer interest in select locations, land deals too have begun to stage a slow recovery. Land, being the key requisite for all real estate activities, is also the component which usually lags in the recovery cycle and hence a revival in this segment can be considered as an indication of gradual revival of the market.

GOVERNMENT INITIATIVES

In light of the global economic downturn, the government has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels. As part of the stimulus package announced by the government, coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector, the sector is likely to impact the Indian real estate sector in a positive way. RBI extended exceptional concessional treatment to the commercial real estate exposure which were restructured, up to June 30, 2009.

- 100 per cent FDI allowed in realty projects through the automatic route.
- In case of integrated townships, the minimum area to be developed has been brought down to 25 acres from 100 acres.
- Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) repealed by increasingly larger number of states.
- Minimum capital investment for wholly-owned subsidiaries and joint ventures stands at US\$ 10 million and US\$ 5 million, respectively.
- Full repatriation of original investment after three years.
- 51 per cent FDI allowed in single-brand retail outlets and 100 per cent in cash-and-carry through the automatic route.

REAL ESTATE PERFORMANCE

With signs of economic stabilisation and moderate growth in global economic performances in the third and fourth quarters of 2009, property markets in India began to exhibit signs of revival in the latter part of the year. But due to excessive supply in many micro-markets and the high inventory rates of quite a few developers, neither volumes nor prices are very likely to significantly appreciate in the medium term.

A few micro markets in India saw a significant turnaround in the number of viewings/enquiries for commercial office spaces in 2H 2009, indicating rising interest and growing activity within the sector. Certain mature micro-markets across the country also witnessed higher occupier confidence over the past few months, even as select micro-markets saw price rises matching the levels March 2008. With the return of liquidity (on the back of FDI, QIPs, non-core asset sales and banks reconsidering lending to the realty sector) in the real estate sector in recent months, cash flows of realty players improved too.

Even though the overall demand for real estate space saw a decline in 2009 over the previous years, the sector is expecting to see a demand growth in the next five years backed by inherently strong economic fundamentals.

Commercial Market

The Indian office market did not remain entirely insulated from global upheavals in 2009; and consequently real estate activities in the segment witnessed a significant slowdown as compared to previous years. The major impact of the slowdown was observed in the first half of the year, when several projects were pulled back owing to the liquidity

⁸ 'Emerging trends in real estate, Asia Pacific 2009' - PWC

crisis and weak demand from the corporate sector. Various SEZ projects were also deferred, with some developers even de-notifying their SEZs. By end-2009, commercial office space supply across major cities was recorded at 51 million sq.ft, 15% lower than 2008. (Source: C&W Research, Outlook 2010)

At approximately 26 million sq. ft. absorption of commercial office space was largely driven by the IT/ITeS and BFSI sectors. Approximately 72% of the demand was fresh absorption. As the corporate sector exercised caution on their expansion plans, pre-commitments for future supply was recorded below 5 million sq.ft. Almost all micro markets experienced rental corrections over the previous year, however, the rate of correction eased out by 2H 2009, with many locations beginning to stabilize.

With many corporate firms shifting to alternative locations, with better cost advantages, commercial office space in the country has been showing slow but steady signs of recovery at present. Having said that, investment in commercial space requires multiple considerations since the risks involved are greater, as are the returns. Factors such as legal issues, demand-supply dynamics and relevant feasibility studies are of primary importance in order to minimize losses. The demand for corporate office space in the second quarter of 2009 (April-June 2009) registered a growth in excess of 65% over the previous quarter (January – March 2009) to settle at 5.66 million sq. ft. This increase in demand was largely due to improving economic conditions, positive market sentiments and growing corporate confidence. Bangalore saw the highest demand of approximately 1.29 million sq. ft. Notably, in 2Q 2009, enquiries for office space increased over the previous quarter, even while actual transactions remained low. Demand for commercial office space across India for year 2009 stood at 22.16 million sq. ft. against the 2008 figure of 38.33 million sq. ft which is a 42% decline year on year. Even with a reduced demand, the supply for year 2009 was significantly high at 51.8 million sq. ft.

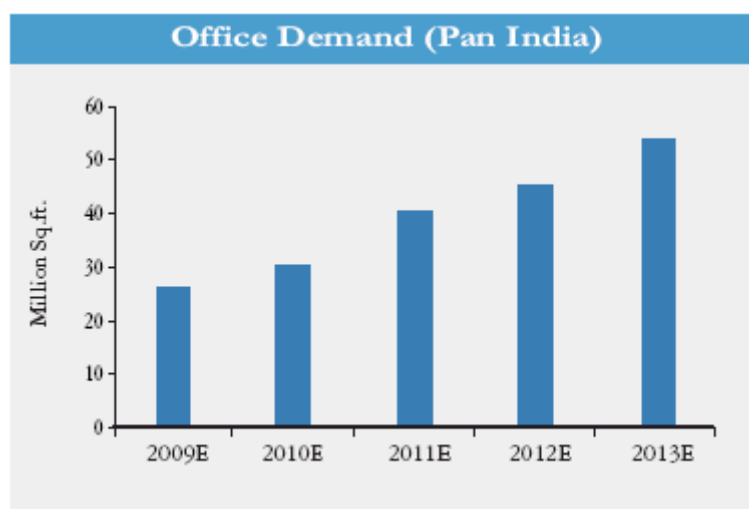


Figure 3: Pan India Office Demand

Source: Cushman & Wakefield research (Survival to Revival – 2009)

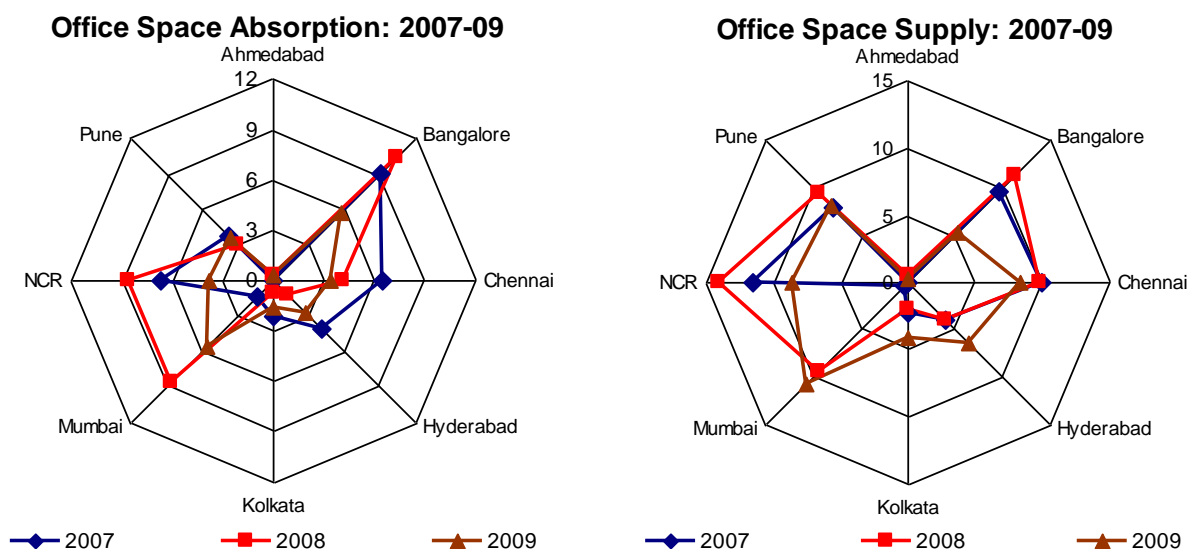


Figure 4: Commercial office Absorption & Supply scenario

Source: Cushman & Wakefield research (Outlook 2010)

In 1H 2009, commercial office space supply across the major cities was approximately 24 million sq. ft. while the supply during 2H 2009 was 27.3 million sq. ft. During 1H 2009 NCR received the highest infusion of fresh supply estimated at 5.80 million sq. ft. followed by Pune (4.50 million sq. ft.) and Mumbai (4.33 million sq. ft.) however, by the year end Mumbai had witnessed a total supply of 10.6 million sq. ft. followed by NCR with 8.64 million sq. ft. and Chennai witnessing 8.4 million sq. ft. supply. Overall commercial office space absorption across the major cities for 1H 2009 stood at 11.30 million sq. ft. largely driven by sectors like IT/ITeS, Banking, Financial Services & Insurance (BFSI) and Telecom while 2H 2009 witnessed absorption of 15.27 million sq. ft. With modest fresh supply expected to enter the market in 2010-11 and a healthier demand forecast of approximately 56 million sq. ft for 2010-11 across the major cities the commercial office market in India is likely to head towards a more balanced demand and supply situation. (Source: Cushman & Wakefield research (Survival to Revival – 2009))

Retail Market

A slowdown in demand from both consumers as well as brands/retailers, led to supply lag in retail real estate sector as against predictions made at the beginning of 2009. Low leasing activities and high vacancy rates all added to the sector witnessing reduced investment interest too. By end-2009, fresh supply of mall space across India's major cities stood at less than 6 million sq. ft, which also meant 60% of expected mall supply for the year being deferred to the future.

In comparison to the previous year's supply of 9.6 million sq. ft, 2009 saw a decline of about 40%. Slowdown in demand led many developers to stall their Mall development projects to avoid any over-supply condition. However, this restraint in mall construction need not be viewed as a negative growth indicator for the retail real estate segment. The current pace is, in fact, expected to help in maintaining a healthier supply to demand equation in 2010; especially for oversupplied micro-markets such as Gurgaon and Noida in the NCR

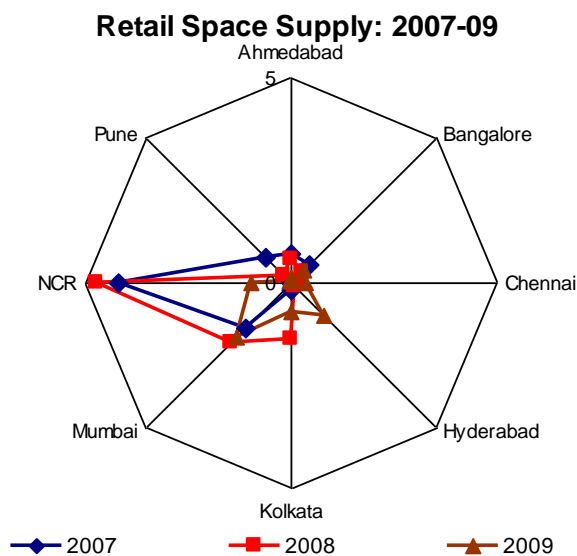


Figure 5: Retail Supply scenario

Source: Cushman & Wakefield research (Outlook 2010)

Retail real estate had, till recent years, attracted investors' attention due to the exponential growth in the organised retail sector. However, with the economic slowdown, the retail sector witnessed constrained leasing activities and high vacancy rates, thus adding to the segment's current low 'investment worthy' status. While the current market upheaval has temporarily decelerated investment activities in the sector, it is expected that the country's organised retail market would be back on its growth trajectory by mid-2010, following which demand for quality retail space would also begin to improve, as retailers would begin to restructure their portfolio with reviving consumer sentiments.

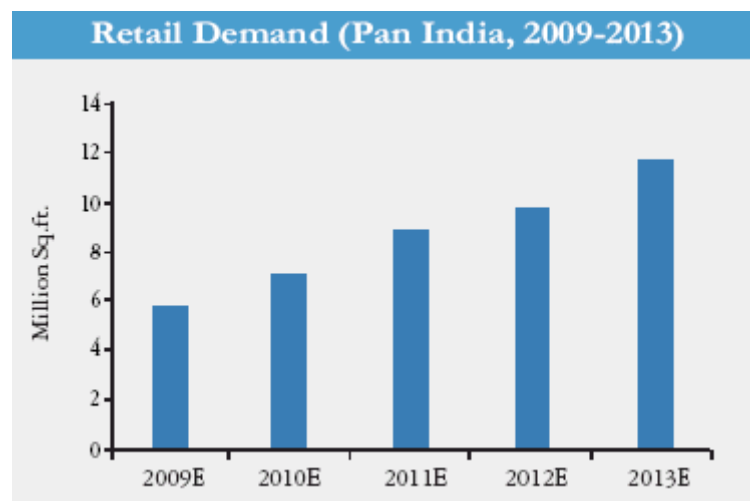


Figure 6: Pan India Retail Demand

Source: Cushman & Wakefield research (Survival to Revival – 2009)

With market demand recovering, there would be a substantial requirement for quality retail real estate over the next 3 to 5 years. As per Cushman & Wakefield Research's estimates, the future demand for fresh mall space in the top seven cities is estimated to be about 35 million sq. ft. in the next five years. Our research estimates also indicate that approximately 60 million sq. ft. of fresh mall space is likely to come up across 40 cities in the next three years. (Source: Cushman & Wakefield research (Survival to Revival – 2009))

Till recently the market saw the creation of low quality spaces commanding unrealistic/ inflated prices, thus in situations of oversupply and hyper-demand, many brands and retailers were chasing a few good properties.

For retail most locations still continue to hold the potential for offering good quality mall spaces; and that a quality product would continue to remain profitable and 'investment-worthy' even in an over supplied micro-market. However, most locations across the country are yet to fully exploit the potential of the existing catchment through a

quality product. Creating a successful mall is all about getting the right mix of elements from the very beginning. More centralised mall operations and efficient management will be favoured in the long-term for sustainability. The emphasis will be on long-term perspective and unrealistic valuations will have no takers. Matching operational costs with revenue generation is also likely to take dominance. Continued focus on customer and retailer needs together with innovative approach to design and commercial viability will pave the way forward. But above all, extensive research and professional consultancy regarding each aspect of mall operations is likely to gain prominence to ensure project sustainability.

Residential Market

Over the past couple of years the residential segment in India has witnessed varied sizes and product mix, targeted towards a wide range of buyers. The bouquet of offerings have included apartments, villas, row houses, builder floors, plotted developments and even townships by major developers across the country. The period of heightened real estate activities also witnessed the entry of many first time or relatively new developers who concentrated on creating apartments or independent floors mostly in the suburban and peripheral locations across the country.

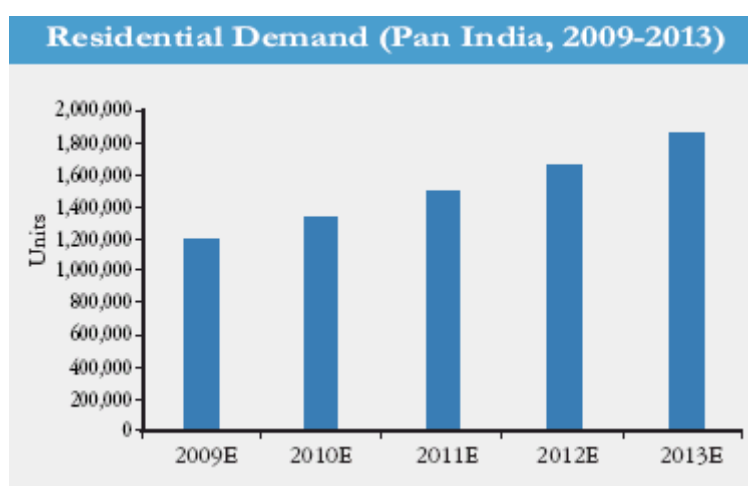


Figure 7: Pan India Residential Demand

Source: Cushman & Wakefield research (Survival to Revival – 2009)

However, due to the economic slowdown and the ensuing credit crunch, many of the major developers were forced to revisit their portfolio. High-end luxury apartments and villas, which had been the key focus areas in recent times, were replaced by mid-scale developments targeting the middle income group. Since the beginning of 2009, the housing segment has generated an increased interest amongst end-users for budget to mid-end products and has resulted in an increase in sales volumes in the residential sector.

The residential market, which had seen a drop in demand in 2008, saw a revival of interest due to reasons such as economic recovery, job security and lower interest rates on home loans, among others. Around the same time, developers too began focusing on affordable and mid-segment housing, where unrealized demand remained strong. This initial interest from home buyers in 2009 led to a turnaround for the sector itself.

Hospitality Market

The Indian hospitality sector witnessed unprecedented growth over the last few years. Over the next 3-5 years too, new hotel developments are expected in various categories across different cities in the country. The quantum of new supply entering the market against the current demand has initiated a new trend amongst investors, where innovative concepts are viewed to have potential based on the extended value proposition derived from the product to achieve a development model that is perceived to be profitable. The last few years witnessed a series of mixed-use developments designed to help hedge future cash flow risks, providing the investor with the ability to absorb the initial years of low profitability from a hotel product. However, it has been noted that the demand environment over the last three years has been conducive to provide reasonably short stabilisation and payback on hotel developments. Going forward, it is likely that incremental and new hotel developments (in addition to the inventory proposed to enter the market) will be based on new and innovative models with investors seeking to achieve stable returns.

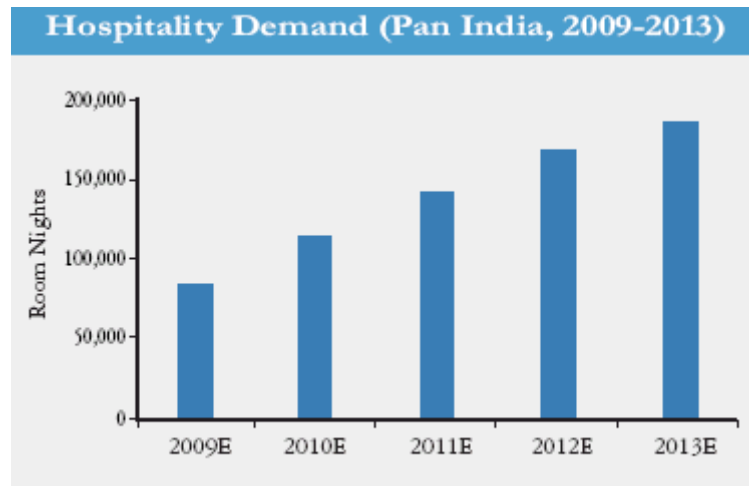


Figure 8: Pan India Hospitality Demand

Source: Cushman & Wakefield research (Survival to Revival – 2009)

FDI in Real Estate

The inflows into real estate and housing sector dropped by a huge margin during the last two quarters of 2008 accounting for a total quantum of INR 34,360 million. While 2009 started on a good note, there was a significant equity inflow of INR 97,880 million in the first half of 2009, an increase by 1.8 times. The slowdown in the real estate sector has had adverse impact with one of the key fallouts being that of investors closely scrutinizing the projects/developer profile (debt position) before investing in any project apart from scope for good/moderate yields and easy exit.

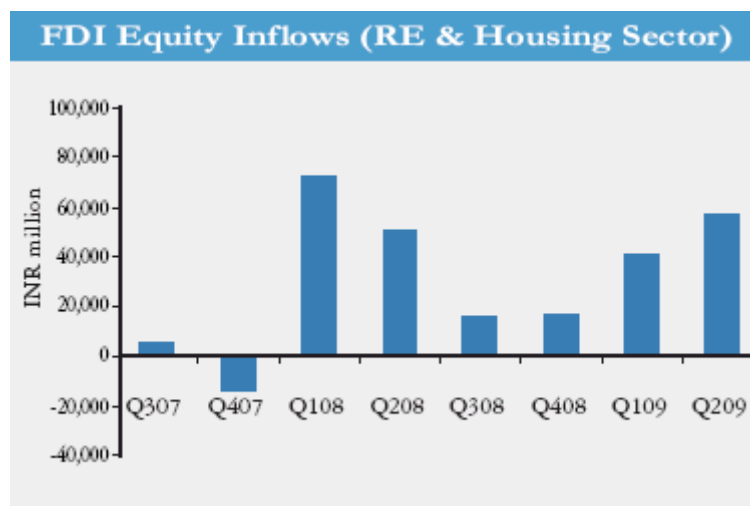


Figure 9: FDI in Real Estate in India

Source: Department of Industrial Policy & Promotion and Cushman & Wakefield research (Survival to Revival – 2009)

DEMAND ASSESSMENT

Commercial Market

The pan India demand for office space is estimated to be 196 million sq. ft. by 2013, with seven major cities⁹ accounting for approximately 80% of the total demand. Hyderabad, Pune and Kolkata are expected to witness the highest compounded annual growth of approximately 28% during 2009- 2013, highlighting the growing prominence of tier 2 cities in the India growth story. However, Bangalore is likely to have the highest cumulative demand of 34 million sq. ft. through the period under consideration, followed by Chennai, owing to renewed interest from the corporate sector, post the economic crisis. 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.

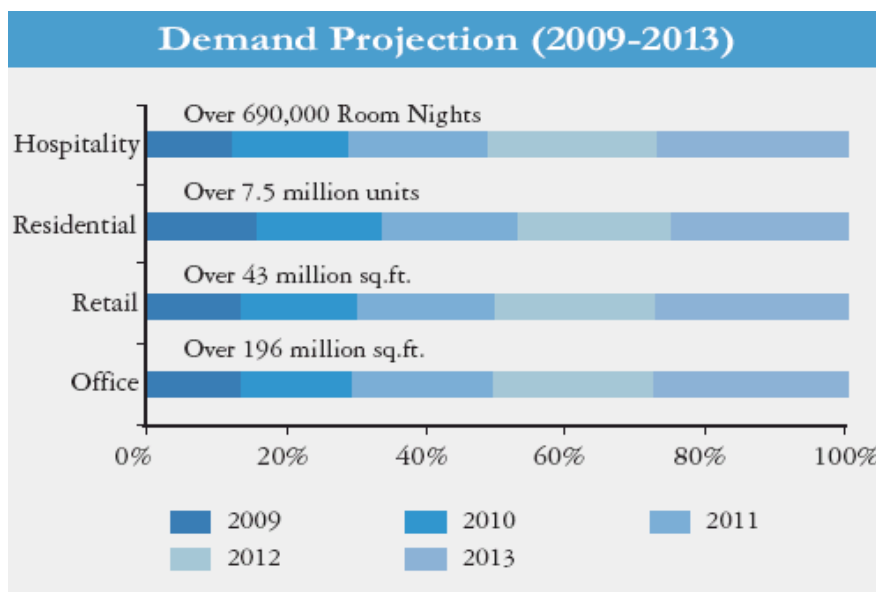


Figure 10: Pan India Real Estate Demand Projection
Source: Cushman & Wakefield Research

Residential Market

The pan India residential demand is estimated to be over 7.5 million units by 2013 across all categories including Economically Weaker Sections (EWS), affordable, mid and luxury segments. The residential demand for top seven cities is estimated to be 4.5 million units by 2013. Of the total expected demand across India, 43% is likely to be generated in tier 1 cities, i.e., 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 urbanization in the city. Hyderabad and Bangalore are likely to have the highest compounded annual growth of 14% in the next five years. The affordable and mid segment category, likely to constitute 85% of the total residential demand, will be the primary focus of most developers.

Retail Market

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

Hospitality Market

The increasing contribution of in bound and domestic travel and tourism to the Gross Domestic Product (GDP) of India has provided the necessary impetus for the growth of the hospitality industry. According to the Travel & Tourism Competitiveness Report 2009 by World Economic Forum, the contribution of travel and tourism to GDP is expected to be approximately 6% in 2009 and the real GDP growth for travel and tourism economy is expected to be at 0.2% in 2009 with a potential of increase to an average 7.7% per annum over the next 10 years. The pan India accommodated demand for the hospitality sector is estimated to be over 690,000 room nights by 2013. Tier 1 cities are

⁹ Seven major cities mentioned here are: Mumbai, NCR, Bangalore, Hyderabad, Chennai, Kolkata & Pune

likely to drive the demand in the hospitality segment led by NCR which is estimated to constitute 15% of the total demand by 2013, followed closely by Mumbai at 14%. The upcoming Commonwealth Games in 2010 is one of the main demand drivers of room nights in the NCR. Bangalore, however, is expected to register the highest compounded annual growth of about 26% in demand, followed by NCR at 24% and Pune at 23%. Tier 2 and 3 cities are also likely to generate demand for 242,000 room nights by 2013 owing to various initiatives taken by the Indian government to promote commercial and tourism activity in these locations.

GUJARAT OVERVIEW

Located on the western coast of the Indian Peninsula, Gujarat has the longest coastline in the country (approx 1,600 km) which contributes to enhancing foreign trade and makes the state a natural 'Gateway' to the fast growing economy. Conducive business environment, abundance of natural resources, skilled and semi-skilled man power, proximity to markets, responsive administration are a few factors contributing to the growth of the state. A steady implementation of structural reforms to make Gujarat shine with its 'Vibrant Economy' is steadfastly growing at 15% of Industrial Growth with 18% of Country's Industrial Investment in Gujarat.

The Industry in Gujarat has evoked new models of development. Enhancing IRs (Investment Regions) and SIRs (Special Investment Regions) while traversing through Product Clusters, Industrial Estates, Industrial Parks and SEZ, these phases have met with success and co-exist as Gujarat enhances its business growth.

The Gujarat Industrial Development Corporation (GIDC) has set up 168 industrial estates and another 106 are being developed in different parts of the state. The State Government has Special Economic Zones at Kandla and Surat and a software technology park at Gandhinagar. GIDC plans to set up an apparel park in Surat. Additionally, GIDC has developed an industrial park in Dahej, which includes a petrochemical complex with facilities like a private airstrip, effluent collection and disposal, a liquid chemical port and railway lines.

Gujarat has emerged as one of the most sought after lucrative investment destinations providing opportunities in almost all the sectors. Several factors influence Investment Opportunities in Gujarat depending on Investment Environment. Gujarat is rich in its mineral base. It has a sharp growth in Agriculture at 9.6% expansion in farm production. A 'petrocapital' State with Industry depending on availability of natural resources which are in abundance in the state. The state also excels in skilled manpower. The support of a proactive government is key factor for rapid industrial growth. The Gujarat Government has undertaken several Policy measures and Incentives to attract large investments in various sectors. Gujarat has further launched specific policies that cater to the development of sectors such as ports, roads, biotechnology, IT, agriculture and minerals. The Policies aim to promote overall development of the economy. Additionally, the PPP model is encouraged by Gujarat Government in Infrastructure Sector to leverage entrepreneur spirit of Gujarat and have multiple effects on Government efforts. To encourage investment in the state, Gujarat also gives autonomy and funds to industrial estates to implement maintenance and modernization measures. It is also encouraging organizations to set up units in these zones by giving them tax holidays and subsidies like exemption from stamp duty and registration fee

Gujarat Real Estate Scenario

Real estate in Gujarat is primarily driven by the robust industrial development in the state. As per the state government, MoUs worth Rs 22,754.5 crores were signed by various real estate development companies during Vibrant Gujarat: Global Investors' Summit 2009 for the development of projects relating to urban infrastructure, industrial parks, SEZs and tourism. Amongst the key locations, Ahmedabad is a rapidly developing state capital with one of the highest average household incomes in India. With presence of one of the largest industrial centre in western India along with a rapidly growing state economy, the city is expected to witness major developments in industrialization as well as urbanization. With tier 1 cities turning up to be expensive destinations due to high real estate costs companies are increasingly compelled to actively explore the untapped opportunity in cities such as Ahmedabad to meet the potential requirement of the industry. Emergence of IT/ITeS sector along with telecom and growing increasing presence of organized retail are clear indication of this trend and are likely to stimulate real estate sector in near future. The future anticipated growth in residential and commercial office space in Ahmedabad will eventually fuel growth of real estate sector in the city.

Vadodara and Surat are also an emerging real estate destination in Gujarat though in initiating stages. These cities enjoy great locational advantages mainly because of thier close proximity to Ahmedabad and Mumbai and improved civic infrastructure. Factors such industrialization, liberal state government policies and huge real estate investments have encouraged the growth of real estate sector in these cities. Also the existing low real estate values have made Gujarat as one of the favored destination for real estate investment.

Owing to the slowdown in construction activity throughout 2009 due to restrained demand, Ahmedabad did not witness any new supply in 1Q 2010. Most of city's anticipated supply of 1.39 million sq.ft. for 2010 is expected to enter in 3Q and 4Q 2010. In 1Q 2010, Ahmedabad witnessed a total demand¹⁰ of approximately 83,000 sq.ft. which was significantly higher than the demand recorded in the previous quarter. With no pre-commitments during the quarter, absorption accounted for entire demand in the city. Majority of demand (60%) was concentrated in suburban micro markets of Satellite Road followed by C.G. Road (24%). In 1Q 2010, Ahmedabad witnessed an overall vacancy level of approximately 8% which was marginally lower than the vacancy levels recorded in 4Q 2009. While Satellite Road witnessed the highest vacancy rates in the quarter at about 20%, vacancy rates in C.G. Road remained stable at about 2-3%. Ashram Road and S.G. Highway recorded vacancy rates of about 5%-6%. In 1Q 2010, Ahmedabad witnessed growth in rental values across most micro markets as compared to the previous quarter. With no new supply entering the market coupled with an increase in demand resulted in rental appreciation over the quarter across most micro markets. Highest rental growth was witnessed in S.G.Highway due to limited availability of Grade A office space in this precinct. The uptrend in inquiries and demand has positively impacted commercial office sector in Ahmedabad. However rental values are expected to remain stable in short term due to high vacancy levels across most micro markets. While many developers are optimistic about office space demand in the city, they continue to be cautious about new project launches due to large inventory of ready or near completion projects. (Source: Cushman & Wakefield Ahmedabad Office Report Q1' 2010)

The first quarter of 2010 did not see any new mall supply in Ahmedabad. While the city is expected to witness a total mall supply of 1.22 million sq.ft. in 2010, the stated supply is expected to enter the market only by 3Q 2010. This is primarily due to the slow down in construction activity in 2009 on account of economic slowdown which had severely impacted retail sector in Ahmedabad. As compared to the previous quarter, mall rental values didn't witness any change across most micro markets. There has been some growth in leasing activity which has resulted in stabilization of rental values. However S.G. Highway, an established retail hub, witnessed some appreciation in rental values on account of improvement in demand. Main streets across Ahmedabad witnessed more leasing activity as compared to malls in 1Q 2010. Improvement in retailer sentiments coupled with increasing perception among land lords that transaction activity is going to pick up gradually in 2010 has resulted in rental appreciation across most micro markets. As a result, most micro markets recorded a rental appreciation to the tune of 6-8% in 1Q 2010. In spite of limited fresh mall supply expected in first half of 2010, mall rental values are likely to remain stable at the current levels in the short term due to existing high vacancy rates. However, with relatively higher demand, established main streets of C.G. Road and Satellite Road could witness some further appreciation in rentals in the short term. (Source: Cushman & Wakefield Ahmedabad Retail Report Q1' 2010)

Caveats and Limitation

1. The Market Research Report (hereafter referred to as the "Report") is not based on comprehensive market research of the overall market for all possible situations. Cushman & Wakefield India (hereafter referred to as "C&WI") has covered specific markets and situations, which will be highlighted in the Report. C&WI has not carried out comprehensive field research based analysis of the market and the industry given the limited nature of the scope of the assignment. In this connection, C&WI has relied solely on the information supplied to C&WI and update it by reworking the crucial assumptions underlying such information as well as incorporating published or otherwise available information.
2. In conducting this assignment, C&WI has carried out analysis and assessments of the level of interest envisaged for the property under consideration and the demand-supply for the retail sector(s) in general. C&WI has also obtained other available information and documents that are additionally considered relevant for carrying out the exercise. The opinions expressed in the Report will be subject to the limitations expressed below.
 - a. C&WI endeavors to develop forecasts on demand, supply and pricing on assumptions that has been considered relevant and reasonable at that point of time. All of these forecasts are in the nature of likely or possible events/occurrences and the Report will not constitute a recommendation to Dev Procon (hereafter referred to as the "Client") or its affiliates and subsidiaries or its customers or any other party to adopt a particular course of action. The use of the Report at a later date may invalidate the assumptions and bases on which forecasts have been generated and is not recommended as an input to a financial decision.

¹⁰ Demand = Fresh pre commitments + Fresh Absorption for the quarter

- b. Changes in socio-economic and political conditions could result in a substantially different situation than those presented at the stated effective date. C&WI assumes no responsibility for changes in such external conditions.
 - c. In the absence of a detailed field survey of the market and industry (as and where applicable), C&WI has relied upon secondary sources of information for a macro-level analysis. Hence, no direct link is sought to be established between the macro-level understandings on the market with the assumptions estimated for the analysis.
 - d. The services provided is limited to market research and will not constitute an audit, a due diligence, tax related services or an independent validation of the projections. Accordingly, C&WI will not express any opinion on the financial information of the business of any party, including the Client and its affiliates and subsidiaries. The Report is prepared solely for the purpose stated, and should not be used for any other purpose.
 - e. While the information included in the Report is believed to be accurate and reliable, no representations or warranties, expressed or implied, as to the accuracy or completeness of such information is being made. C&WI will not undertake any obligation to update, correct or supplement any information contained in the Report.
 - f. In the preparation of the Report, C&WI has relied on the following information:
 - i. Information provided to us by the Client and its affiliates and subsidiaries and third parties;
 - ii. Recent data on the industry segments and market projections;
 - iii. Other relevant information provided to us by the Client and its affiliates and subsidiaries at C&WI's request;
 - iv. Other relevant information available to C&WI; and
 - v. Other publicly available information and reports.
3. The Report reflects matters as they currently exist. Changes may materially affect the information contained in the Report.
 4. All assumptions made in the study are based on information or opinions as current. In the course of the analysis, C&WI has relied on information or opinions, both written and verbal, as current obtained from the Clients as well as from third parties provided with, including limited information on the market, financial and operating data, which would be accepted as accurate in bona-fide belief. No responsibility is assumed for technical information furnished by the third party organizations and this is bona-fidely believed to be reliable.
 5. No investigation of the title of the assets has been made and owners' claims to the assets are assumed to be valid. No considerations have given to liens or encumbrances, which may be against the assets. Therefore, no responsibility is assumed for matters of a legal nature.
 6. The Client including its agents, affiliates and employees, must not use, reproduce or divulge to any third party any information it receives from C&WI for any purpose without prior consent from C&WI and should take all reasonable precautions to protect such information from any sort of disclosure. The information or data, whether oral or in written form (including any negotiations, discussion, information or data) forwarded by C&WI to the Client may comprise confidential information and the Client undertakes to keep such information strictly confidential at all times.

BUSINESS OVERVIEW

Dev Group has been promoted by Mr. Sanjay H. Thakkar and Mr. Dipak A. Thakkar.

Shri Sanjay Thakkar started his career with a hotel in the name of 'Avakar' in Kalupur. Thereafter the group was doing real estate business under the proprietary concerns established by our promoters and concentrated only on residential projects, and thereafter started their business expansion by entering into commercial projects and mall development. Subsequently in June 2005, Dev Procon Ltd (previously known as Dev Arcade Private Limited) was incorporated to do the real estate projects in its individual capacity.

We are engaged in the business of construction of real estate projects on commercial scale. Our existing range of business verticals spans across the homes, offices, etc. Our residential portfolio currently covers projects catering to customers across middle and higher income groups. The Homes business line involves a wide range of products including row houses, bungalows and apartments of varying sizes, with a focus on the middle and higher end of the market.

In our commercial portfolio, we build and sell customized office space as per the requirements of buyers. Our retail portfolio includes development of shops in select locations.

We are also into hospitality segment whereby we construct, build and operate resorts and restaurants.

As on March 31, 2010, the Dev Group has completed approximately 19.99 lacs square feet of Residential, Commercial and Retail Projects. There are 6 ongoing projects of the Group and estimated saleable area of these ongoing projects is approximately 13.30 lacs square feet. The Group has already planned to execute the 1 projects and the saleable area of these planned projects is estimated at approximately 1.01 lacs sq. ft.

Our Company has its ongoing and proposed real estates projects in the cities like Anand, Ahmedabad, and Vadodara.

STRENGTHS

The following are the principal strengths of our Company:-

- **Strong Presence in Ahmedabad**

We believe that we have familiarity with, and good knowledge of, the market and regulatory environment in Ahmedabad, which assists us in identifying developable parcels of land. Currently, most of our Ongoing and Proposed Projects are concentrated in and around Ahmedabad and other places of Gujarat.

- **Strong leadership and experienced management**

The promoters of our Company are highly experienced. For detailed profile of the promoters of our Company, please refer "Our Promoters and Promoter Group on page no. 103".

We have an experienced, dedicated and qualified team of professionals. Our management has experience in identifying market trends and identifying strategic locations for land acquisition as well as in the design, engineering, construction management, supervision and marketing of projects. We provide our staff with a corporate environment that encourages responsibility and innovation. We believe that the experience of our management team and its in-depth understanding of the real estate industry in India, particularly in Ahmedabad, will enable us to continue to take advantage of both current and future market opportunities.

- **Land Identification at Attractive Pricing and Strategic Locations**

One of our key strengths is our ability to identify suitable tracts of land in and around Ahmedabad. Land identification at attractive pricing and strategic locations is a key factor for the success of our business and replenishing our inventory for future developments. We leverage our skills to acquire land or development rights. We hold development rights either directly, or through subsidiaries, associates and proprietorship firms.

- **Strong branding and sales capabilities**

The basic goal of our Company is to become a reputed leader across the real estate industry by investing the talent, energy and resources in the highest quality planning, design and construction. A strong and recognized brand is a key attribute in this industry, since it increases customer confidence and influence the buying decision of the customers. Dev is becoming one of the popular brands across Gujarat in all its segments i.e. residential projects and commercial projects.

- **Diversified development mix & Ability to conceptualize, build and operate large & innovative projects**

The innovative ideas of promoters and the professional team of our Company become a guiding force for development of totally new and conceptually advanced infrastructure. The vision of directors gives our Company a riding force towards choosing a perfect place for development of real estate and grabbing a new opportunity.

- **Our Development Capabilities and Project Execution Skills**

We believe that our team facilitates efficient operations and ensures consistent quality across all of our projects, thereby shortening project timelines and allowing us to successfully execute complex projects. Our team has developed relationships with suppliers through working on multiple projects, and has experience in working with regulatory authorities. We believe our existing relationships also facilitate our ability to anticipate project requirements and to develop new types of structures.

- **Good Relationships with Architects, Structural Engineers, Suppliers and Dominant Retailers**

We believe that our brand name along with transparency and efficiency in our operations have helped us in developing good relationships with our customers as well as business partners and architects involved in the real estate industry. We also collaborate with architects such structural engineers such as ADS Architect Pvt. Ltd., Neha Consultant, Pyramid Associates and others. Zodiac, Marks and Spencers, Barcelona, Liverpool, Croma, Thomas Scott etc. are some of the national and international retailers with whom company has a relationship which demonstrates our Company's customer base for its retail projects.

- **Large diversified low-cost and substantially paid up land reserves with clear title.**

Our Company has reasonably sufficient land reserves, the details of which are give in the Land Reserves section of . Business Overview on page no.69.

BUSINESS STRATEGY

The following are the key elements of business strategy of our Company:

- **Continue to strengthen relationships with key service providers**

We intend to further strengthen our relationships with key service providers such as architects, suppliers and retailers. We believe that good relationships with our customers and service providers will boost our growth.

- **Drive, design & deliver innovative destinations that reflect changing preferences of consumers, retailers & communities:**

As our Company continue to undertake large developments of the residential and commercial projects, it intends to continuously undertake a research to have an idea about the changing preferences of the customers and retailers for the type of destination they would prefer and thereby improving further the quality of the real estate developments to deliver the products as per the preferences and choices of the customers.

- **Acquire land in strategic locations and development of projects:**

Ability to acquire land at such location where there is potential for construction and development is critical for the growth and profitability of our Company. Company believes that the key to the success lies in the successful identification of appropriate plots of land. Company seeks to acquire plots of land and development rights in an area where there are chances for the future development of that particular area.

- **Continue to focus on all segments of market in which company is working i.e. Malls, Residential projects and Commercial projects:**

Our Company intends to focus on the development of all kind of segments like residential projects, commercial projects and mall development across different price points. Company has its products offering in the middle class segment as well as in the luxury and premium category.

- **Enhance construction capabilities and focus on undertaking construction work of our Company on its own developments:**

As our Company has many ongoing and proposed projects in hand in which company itself is the developer and the experience of the senior management of our Company in the real estate industry will help our Company to enhance its construction capabilities and to undertake new construction projects.

Description of the Business

For the purpose of describing the business, the projects are classified in the following three categories:

- A. Completed Projects
- B. Ongoing Projects
- C. Proposed Projects

As mentioned in overview of the business, company follows a particular process for development of real estate projects. The category “Completed Projects” includes projects where construction has been completed and project has been passed through all phases of the process as mentioned.

The category “Ongoing Projects” includes the projects which are partially completed and the projects are going to pass some of the phases of the process like Project development, Marketing, sales and Possession and Completion and handover of the project.

The category “Proposed Projects” includes those projects in which the necessary agreements relating to land acquisition have been executed, key land related approvals are being obtained and the remaining phases are pending for execution.

COMPLETED PROJECTS

Residential Projects completed by the group

The residential projects are primarily designed for the middle income and high income customers. The residential projects are designed with a variety of amenities such as security systems, sports and recreational facilities, play area and electricity back up. As on March 31, 2010 the group has completed 11 projects, the details of which are as follows:

Name Of Project	Entity	Location	Year of Commencement	Year of Completion	Saleable Area (In Sq. Ft.)
Dev Ashish	Bhakti Builders	Pritamnagar, Ahmedabad	June 1996	August 1997*	7569
Dev City	Devansh Builders	Chandlodiya,	January 2002	October 2002	137771

		Ahmedabad			
Dev Priya Bungalows - 2	Devpriya Builders	Satellite, Ahmedabad	August 2001	May 2004	99244
Dev Shree	Miloni Builders	Pritam Nagar, Ahmedabad	July 1999	July 2006	27364
Dev Kunj	Kunj Builders	Paldi, Ahmedabad	May 2003	September 2003	20120
Dev Ansh Bungalows	Devansh Builders	Pritam Nagar, Ahmedabad	September 2004	March 2005	8178
Dev Satya	Satya Builders	Pritam Nagar, Ahmedabad	October 2003	April 2004	12614
Dev Deep	Dev Deep Builders	Vastrapur, Ahmedabad	May 1996	February 2007	54224
Dev Kutir - 2	Vihar Builders	Ambli, Ahmedabad	January 2005	December 2005	30697
Dev Vatika	Farm Builders	Manipur, Ahmedabad	July 2005	April 2006 ^	10882
Dev Arth	Arth Builders	Mithakhali, Ahmedabad	September 2003	December 2003	10346
Total					419009

Notes:

*Obtaining of BU permission was not applicable.

^Manipur being village, obtaining of BU permission is not applicable.

Bhakti Builders, Devansh Builders, Devpriya Builders, Miloni Builders were proprietorships of Mr. Sanjay H. Thakkar wherein Bhakti Builders was closed on 31.03.1998 and Devansh Builders, Devpriya Builders and Miloni Builders were closed on 31.03.2007.

Kunj Builders, Satya Builders, Arth Builders, Dev Deep Builders, Vihar Builders and Farm Builders were proprietorships of Mr Dipak A. Thakkar wherein Kunj Builders, Satya Builders and Arth Builders were closed on 31.03.2006 and Dev Deep Builders, Vihar Builders and Farm Builders were closed on 31.03.2007.

Commercial Projects completed by the group

As on March 31, 2010 the group has developed 2 commercial projects both in Ahmedabad.

Name of Project	Entity	Location	Year of Commencement	Year of Completion	Saleable Area (In Sq. Ft.)
Dev Complex	Aadarsh Industries & Investments Pvt. Ltd, Sizing Materials Chemicals & Electronics Pvt. Ltd. & Harshavadan Mangaldas Investments Pvt. Ltd.*	Parimal Garden, Ahmedabad	April 2004	April 2005	70219
Dev Arc Mall Block - A	Dev Procon Limited	S. G. Highway, Ahmedabad	July 2006	March 2007	350458
TOTAL					420677

Note:

*Aadarsh Industries & Investments Pvt. Ltd, Sizing Materials Chemicals & Electronics Pvt. Ltd. & Harshavadan Mangaldas Investments Pvt. Ltd. are associate concerns of Dev Procon Limited.

Residential & Commercial Projects completed by the group

As on March 31, 2010 the group has developed 5 commercial and residential projects, detailed as below:

Name Of Project	Entity	Location	Year Of Commencement	Year Of Completion	Saleable Area (In Sq. Ft.)
Dev Ashray	Miloni Builders^	Pritam Nagar, Ahmedabad	July 2000	May 2004	24171
Dev Preet	Devpreet Builders^	Vastrapur, Ahmedabad	May 2003	February 2004	79297
Devnandan	Nandan Builders^	Chandalodiya, Ahmedabad	October 2004	March 2007	250061
Dev Arpan	Devdip Builders Pvt. Ltd. *	Paldi, Ahmedabad	October 2005	June 2006	42358
Dev Archan	Archan Builders^	Paldi, Ahmedabad	December 2005	March 2009	160788
TOTAL					556675

^Miloni Builders, Devpreet Builders, Nandan Builders, Archan Builders-Proprietorships of Mr. Sanjay H. Thakkar wherein Devpreet Builders and Miloni Builders were closed on 31.03.2007.

*Devdip Builders Pvt. Ltd. is associate concern of Dev Procon Limited.

Retail Projects completed by our Company

As on March 31, 2010 the group has developed 2 retail projects, detailed as below:

Name Of Project	Entity	Location	Year of Commencement	Year of Completion	Saleable Area (In Sq. Ft.)
Dev Arc Mall Block -B	Dev Procon Limited	S. G. Highway, Ahmedabad	July 2006	March 2008	388441
Dev Grand Mall	Dev Procon Limited	Anand	May 2007	January 2008	213741
TOTAL					602182

ONGOING PROJECTS:

As on March 31, 2010 the Group is involved in four projects at different stages of the development and different location, developed for retail, residential and commercial purposes.

S. No .	Name of Project	Type of Project	Entity	Location	Year of Commencement	Year of Completion	Total Land Area (in Acres)	Saleable area (in sq. ft.)	Status as on 31.03.2010
1	Dev Castel	Residential, Retail and Commercial	Devdip Malls Developers Pvt. Ltd.*	Maninagar, Ahmedabad	November, 2008	February, 2011	4.53	534314	Work in progress
2.	Dev Mall-2	Retail	Devpriya Infrastructure Private	Jitodiya Road, Anand	June 2008	January 2011	0.55	22039	Work in progress

			Limited#						
3.	Dev Exotica	Residential	Dev Procon Limited	Guma, Ahmedabad	July, 2009	December, 2011	1.47	150534	Work in progress
4.	Dev Industrial Estate	Commercial	Ami Krupa Reality Pvt. Ltd.^	Gorwa, Vadodara	June ,2009	December, 2011	8.79	382983	Work in progress
5	Dev Status	Residential and Retail	Devdip Arcade P Ltd.*	Paldi, Ahmedabad	July 2010	December,2011	0.46	57849	Work in progress
6	Dev-181	Residential	Dev Procon Limited	Bopal, Ahmedabad	June 2010	December,2011	1.54	183259	Work in progress
	TOTAL						17.34	1330978	

*Dev Procon Ltd. holds 49 % stake in Devdip Malls Developers Pvt. Ltd.

#Devpriya Infrastructure Pvt. Ltd. is a subsidiary of Dev Procon Ltd. Dev Procon Ltd holds 99.99 % share in it.

^Ami Krupa Reality Pvt. Ltd. is associate concern of Dev Procon Ltd.

* Devdip Arcade Pvt. Ltd. is a subsidiary of Dev Procon Ltd. Dev Procon Ltd. holds 99.99 % stake in Devdip Arcade Pvt. Ltd.

Brief of the ongoing projects:

1. Dev Castel-

Dev castle is developing exclusive high end high rise 2-3 BHK apartment having all modern amenities. It is designed for high end lavish lifestyle oriented clients. Amenities include health club, swimming pool, common garden, children play area, Indoor games, mini theater, hall for parties, etc. Shops and Offices are located on ground and upper ground floor.

2. Dev Mall-2-

Company is developing a Retail mall in Anand located at Jitodiya Road. The mall will have three floors with basement parking having sufficient capacity for cars & two wheelers. The mall will be equipped with central atrium, escalators & lifts and will be air conditioned and will have sufficient

3. Dev Exotica-

Dev Exotica will comprise of 9 towers and 6 floors in each tower. Dev Exotica provides 1 and 2 BHK apartments having all facilities. It scores well when it comes to location design features, construction quality, environment and security.

4. Dev Industrial Estate-

It is an industrial estate located in Gorwa which is a highly industrial rich area of Vadodara with good industrial environment, best infrastructure and communication facility. The area is closely connected with railway yard and national highway. Dev Industrial Estate comprises of 45, 3500 to 16000 sq ft industrial plots.

5. Dev Status-

Dev Status is a residential cum commercial scheme. It captures the higher segment of society and consists of 3 BHK 36 flats spread across 9 floors. The ground floor comprises 6 shops. This site is located in one of the prime location of Ahmedabad in Paldi.

6. Dev-181-

Dev 181 comprises of 2-3 BHK 180 luxurious apartments located at Bopal, Ahmedabad. It has 8 blocks with 5 floors in each block. It comprises of all facilities including common garden, club house, children park, 24 hours security, well planned ample car parking etc.

PROPOSED PROJECTS

All the proposed projects of the Group are located in Ahmedabad. The details of the proposed projects are given below:

Name of Project	Type of Project	Entity	Location	Expected year of Commencement	Expected year of Completion	Total Land Area (in Acres)	Saleable area (in sq. ft.)
Dev Procon Residency	Residential	Dhamal Estates Pvt. Ltd [^]	Manipur, Ahmedabad	June 2010	May 2012	1.88 Acres	101952
TOTAL						1.88	101952

[^] Dhamal Estates Pvt. Ltd. is a subsidiary of Dev Procon Ltd. Dev Procon Ltd. holds 99.99 % stake in Dhamal Estates Pvt. Ltd.

Dev Procon Residency-

Dev Procon Residency is located in Manipur, Ahmedabad and consists of 160 2 BHK apartments. It comprises of all facilities including common garden, club house, children park, 24 hours security, well planned ample car parking etc.

LAND RESERVES

The land reserves of the company are distributed in 4 categories:

- A. Land owned by Company (Dev Procon Limited)
- B. Land owned by Subsidiaries
- C. MOU / Agreement to Acquire Land
- D. Land Owned – Joint Development With Partners (In Associates entity)

As of 31st May, 2010 land reserves of the Group aggregate 24.98 acres. The land reserves of the Group are located in and around Ahmedabad, Anand, Nadiad and Baroda. The following is a summary of the Land Reserves as of 31st July, 2010.

Sr. No	Land Location	Name of the Entity	Project Name & nature of Project	Land Area (In Acre)	% of total Acreage	Estimated Developable (In Sq. Ft.)	% of Developable Area	Estimated Saleable Area (In Sq.Ft)	% of Saleable Area
(A)	Land owned by Company (Dev Procon Limited)								
1	Lambhvel Road Anand	Dev Procon Limited	Dev Grand Mall (Retail mall)	3.46	13.8%	213743	16.9%	213743	16.9%
2	Ghuma Ahmedabad	Dev Procon Limited	Dev Exotica (Residential)	1.47	5.9%	150534	11.9%	150534	11.9%
3	Bopal Ahmedabad	Dev Procon Limited	Dev-181 (Residential)	1.54	6.1%	183259	14.5%	183259	14.5%
4	Nadiad	Dev Procon Limited	----	1.30	5.2%	-----	0.0%	-----	0.0%
	Total (A)			7.76	31.1%	547537	43.3%	547537	43.3%
(B)	Land owned by Subsidiaries & Associate Companies								
1	Paldi, Ahmedabad	Dev dip Arcade P Ltd.	Dev Status (Resi.&Com m.)	0.46	1.8%	57849	4.6%	57849	4.6%

2	Manipur, Ahmedabad	Dhamal Estate Pvt Ltd	Dev Procon Residency (Residential)	1.88	7.5%	101952	8.1%	101952	8.1%
3	Manipur, Ahmedabad	Dhamal Estate Pvt Ltd	----	3.28	13.1%	---	0.0%	---	0.0%
4	Sola, Ahmedabad	Devfunpoint Reality Pvt. Ltd.	----	0.65	2.6%	---	0.0%	---	0.0%
5	Maninagar, Ahmedabad	Dev Dip Malls Developers Pvt Ltd.	Dev Castel (Resi.&Com m.)	4.53	18.1%	534314	42.3%	534314	42.3%
6	Jitodiya Road, Anand	Dev Priya Infrastructure Private Ltd.	Dev Mall-2 (Retail mall)	0.55	2.2%	22039	1.7%	22039	1.7%
Total (B)				11.34	45.4%	716155	56.7%	716155	56.7%
(C) MOU / Agreement to Acquire Land									
1	Rancherda, Kalol	Dev Procon Limited	----	5.88	23.5%	---	0.0%	---	0.0%
Total (C)				5.88	23.5%	0	0.0%	0	0.0%
(D) Land Owned - Joint Development with Partners									
Total (D)				Nil		Nil		Nil	
Grand Total (A+B+C+D)				24.98	100%	1263691	100%	1263691	100%

(A) Land Owned By Company (Dev Procon Limited)

Dev Procon Limited itself owns approximately 7.76 acres of land consisting 31.1% of total land reserves. Of the said lands company expects to develop approximately 547537 Sq. Ft. consisting approximately 43.3 % of the total developable area

Sr. No.	Location	Amount Paid as on 31st July, 2010. (Rs. In Lacs)	Amount Payable as on 31st July, 2010. (Rs. In Lacs)	Economic Ownership of Dev Procon Limited (In %)	Land Area (In Acres)
1*	Lambhvel Road Anand	134.56	Nil	100%	3.46
2#	Guma Ahmedabad	113.32	Nil	100%	1.47
3 @	Nadiad	158.86	Nil	100%	1.30
4 +	Bopal, Ahmedabad	197.49	Nil	100%	1.54

* Company had acquired 3.46 acres of NA land Situated at Anand Taluka, Lambhvel Road through 2 different sale deeds. Out of this 3.18 Acres Land has been acquired by company from Rajnibhai D Patel Virendra M Patel by Saleded dated 6th February, 2007. Remaining 0.28 acres of Non Agriculture land has been acquired by company from Sushilaben by saledeed dated 4th December, 2007. Company has already started construction work on this land for our retail mall project “Dev Grand Mall” Anand.

Company had acquired non agriculture land admeasuring 1.47 acres Situated at Village: Ghuma, Taluka : Dascroi, District : Ahmedabad through registered saledeed with Mr. Sanjay H. Thakkar dated November 7th, 2009. Company has already started construction work on this land for our residential project “Dev Exotica”.

@ Company had acquired non agriculture land admeasuring approximately 1.30 acres Situated at Village: Chaklasiya, Taluka : Nadiad District : Nadiad through saledeed with M/s. Jayant Construction (Partnership firm) dated May 12th, 2008. This land will be used for company’s future projects.

+ Company had acquired land admeasuring approximately 1.54 acres Situated at Village : Bopal, Taluka : Dascroi. District : Ahmedabad through registered saledeed with Mr. Sanjay H. Thakkar dated 1st July 2010. Company has already started construction work on this land for our residential project “Dev 181”.

(B) Land owned by subsidiary Companies and Group Companies:

Dev Procon Limited through its subsidiary and it's Associate companies owns approximately 11.34 acres of land consisting 45.4% of total land reserves. Of the said land company expects to develop approximately 716155 Sq. Ft. consisting approximately 56.7% of the total developable area.

Sr. no.	Subsidiary holding the land	Location	Amount paid as on 31 st July, 2010. (Rs. In Lacs)	Amount payable as on 31 st July, 2010. (Rs. In Lacs)	Economic Ownership of Dev Procon Limited (In %)	Land Area (In Acres)
1 (Note 1)	Devdip Arcade Private Limited	Paldi, Ahmedabad	259.95	Nil	99.99%	0.46
2 (Note 2)	Dhamal Estate Private Limited	Manipur, Ahmedabad	80.55	Nil	99.99%	1.88
3 (Note 3)	Dhamal Estate Private Limited	Manipur, Ahmedabad	36.11	Nil	99.99%	3.28
4 (Note 4)	Dev funpoint Reality Private Limited	Sola Ahmedabad	201.22	Nil	99.99%	0.65
5 (Note 5)	Devdip Malls Developers Private Limited	Maninagar Ahmedabad	1632.98	Nil	9.8%	4.53
6 (Note 6)	Dev Priya Infrastructure Private Limited	Jitodiya Road Anand	23.32	Nil	99.99%	0.55

Note 1 :

Dev Procon Limited holds 99.99% stake in Devdip Arcade Private Limited since 25th March 2010. Devdip Arcade Private Limited has acquired 0.46 Acre of Non Agriculture land Situated at Vikas Gruh Paldi , Ahmedabad. through 4 different sale deeds. Out of total 0.46 Acre land 0.11 Acres land has been acquired by Dev dip Arcade Private Limited from Indiraben M Shah and Shirishbhai A kothawala by saledeed dated 6th November 2006, 0.01 Acres land has been acquired by Dev dip Arcade Private Limited from Premilaben K Kothawala, Rajeshbhai K Kothawala, Smitaben K kothawala and Shashinbhai k kothawala by saledeed dated 6th November 2006, 0.11 Acres land has been acquired by Dev dip Arcade Private Limited from Sunilbhai A Kothawala by saledeed dated 6th November, 2006 and Remaining 0.23 Acres of NA Land acquired by Dev dip Arcade Private Limited from Jayantbhai R Shah, Jigishaben J Shah , Jaiminbhai J Shah & Jigarbhai J Shah by saledeed dated 6th November, 2006.

Note 2 :

Dev Procon Limited holds 99.99% stake in Dhamal Estates Private Limited since 29th March 2010. Dhamal Estates Private Limited has acquired 1.88 acres of Non Agriculture Land Situated at Village : Manipur Taluka : Sanand District : Ahmedabad Block No: 355 having 1.88 Acres land area from Sanjay H. Thakkar and Ritaben S. Thakkar by saledeed dated 18th March, 2009. On this land there will be Residential Project namely “Dev Procon Residency”.

Note3:

Dev Procon Limited holds 99.99% stake in Dhamal Estates Private Limited since 29th March 2010. Dhamal Estates Private Limited has acquired 3.27 acres of Non Agriculture Land having two different Block No 357, and 358 Situated at Village : Manipur Taluka : Sanand District : Ahmedabad through two different saledeed. Out of total land

Block No 357 having 1.15 Acres land has been acquired by Dhamal Estates Private Limited from Devdiya Infrastructure Private Limited by saledeed dated 18th March, 2009 and remaining Block No 358 having 2.13 Acres of land has been acquired by Dhamal Estates Private Limited from Dipakbhai A Thakkar, Naiyaben D Thakkar, Ajitbhai A Thakkar & Pragnaben A Thakkar by saledeed dated 18th March, 2009.

Note 4 :

Dev procon limited hold 99.99% stake in Dev funpoint Reality Private Limited since 26th March, 2010. Dev funpoint Reality Private Limited has acquired 0.65 acres of Non Agriculture land Situated at Village: Sola, Taluka : Dascroi, District : Ahmedabad through saledeed with Mr. Sanjay H. Thakkar dated 13th August, 2009.

Note 5 :

Dev procon limited hold 9.8% stake in Devdip Malls Developers Private Limited since December 2009, Devdip Malls Developers Private Limited has acquired 4.53 acres of Non Agriculture Land Situated at Maninager, Ahmedabad through 2 different saledeed. Out of total land 2.29 Acres Land has been acquired by Devdip Malls Developers Private Limited from Sudhaben b Trivadi, Riddhish B Trivadi and Radheshyam P Trivadi by Saledeed dated 8th June 2007. And remaining 2.24 acres Land has been acquired from Sudhaben b Trivadi, Riddhish B Trivadi , Balkrushna P Trivadi(HUF) and Radheshyam P Trivadi(HUF) by Saledeed dated 8th June, 2007. Company has already started construction work of “Dev Castel” Project (Residential & Commercial).

Note 6 :

Dev procon limited hold 99.99% stake in Dev Priya Infrastructure Private Limited since 27th March, 2010. Dev Priya Infrastructure Private Limited has acquired 0.55 Acres of Non Agreeculture Land Situated at Jitodiya Road Anand, through saledeed with Pravinchndra M Thakkar and Nitaben P Thakkar dated 25th February 2008.

(C) MOU / AGREEMENT TO ACQUIRE LAND

In this category our company holds 5.88 acres of non agriculture land consisting 23.5% of total land reserves.

Sr. no.	Name of Entity	Location	Amount paid up to 31th July, 2010. (Rs. In Lacs)	Balance Amount payable (Rs. In Lacs)	Economic Ownership of Dev Procon Limited as per MOU (In %)	Land Area (In Acres)
1#	Dev Procon Limited	Rancharda, Ahmedabad.	18.50	120.59	100%	5.88

Dev Procon Limited has made 37 registered agreement to sale dated 26th April, 2010 For the Non Agriculture land admeasuring approximately 5.88 acres Situated at Rancherda, Ahmedabd with 37 different members of the Gokul Co-operative housing Society limited. This land will be used for company’s future project.

(D) Land Owned - Joint Development with Partners (With Associates entity)

In this category we do not hold any land.

BUSINESS PROCESS



a. Identification Process of Potential areas of development

One of the key factors in real estate development is the ability to assess the potential of a location after evaluating relevant demographic trends and economic parameters. Our Company relies on the experience and the ability of the management to evaluate potential locations. Our Company uses the experience to evaluate locations where it can gain an early mover advantage. The process of land identification begins with the selection of an appropriate site that has growth potential. This is done by the projects senior management of our Company, which gathers market data on possible prospects for development. The views of local real estate marketing professionals are also considered.

The next step, after area identification, involves identifying the type of project to be undertaken and deciding the scale of the project. Typically, decisions at this stage involve examining the viability of commercial complexes or residential buildings on the identified project site. Final decisions on the location, nature, financial feasibility and scale of each project are made by the senior management and promoters of our Company.

b. Evaluation of applicable laws and obtaining of requisite approvals

When assessing the feasibility of a new project, it is imperative to become familiar with the legal regime governing the land on which the new project will be developed. Company evaluates the factors that affect the obtaining of approvals required for the implementation of the project. The approvals generally required for a real estate development project include approval of the building plans, approval of layouts, approvals related to certain infrastructure facilities such as power and water and land-use approvals such as, in some instances, for the conversion of agricultural lands to nonagricultural lands. Similarly, approvals from the fire authorities are often required for projects that involve the construction of high-rise buildings. Building completion certificates are obtained from the appropriate authorities after the projects have been completed in accordance with applicable law. For details of the legal requirements applicable to our Company, see the section titled .Regulations and Policies. on page 77.

c. Acquisition of development rights or purchase of properties

Generally, our Company either acquires the development rights for properties or buys the properties outright. Generally, land is outrightly purchased from private parties. In instances where company plans to develop properties, it acquires the development rights by execution of development deed.

On occasion, company acquires the right to develop properties whereby other entities hold title to the land. The titleholder is typically given the option, as consideration for granting the development rights, to share in a portion of the sale proceeds.

When the land is purchased directly from the titleholders, company executes the conveyance deeds in respect of such properties in order to acquire clear title to the property.

It also enters into arrangements with third parties who procure land and make arrangements with titleholders to purchase their land in targeted locations. Under these arrangements, in addition to the purchase price, third parties are paid certain predetermined fee for their services.

d. Project development

The design and planning of the project is completed by reputable external architects and structural consultants engaged by our Company. The external architects and structural consultants are engaged for a specific project and are drawn from a pool of architects and consultants with whom our Company had previous experience. External architect or consultant provides the structural design of the project.

Once the design and estimates for the project have been finalized, a project team will be set up under the supervision of a site engineer, who serves as the central coordinator for the project and who reports to the senior management of the Company. The purchase of materials is centralized and is based on estimates given by the planning division or the external architect, as the case may be. For construction and for the supply of labour and materials, service/supply orders are made with various service providers and suppliers. Company negotiates orders on an individual basis and do not have any tender or bidding process. Great efforts are made to ensure that raw materials and other goods and services sourced from third-party vendors are delivered and paid for in a timely manner.

e. Marketing, Sales and Possession

Sales and distribution efforts are conducted through two main channels: direct sales through the sales executives of our Company and indirect sales through a broker network. Sales efforts begin as soon as possible after our Company has entered into an agreement to acquire land. For residential projects, company typically build, furnish and landscape model units and maintain on-site sales offices. Company constructs an on-site sales office before construction of the model unit is completed. The sales center is later moved to one of the model units. We usually enter into agreements to sell a substantial portion of each project prior to completion. A client service team assists the customer after the booking process, through to the transfer of property to the new owner. We liaise with various banks and housing finance companies to provide our customers with convenient access to finance in order to facilitate their purchase.

In line with industry practice in India, company benefits from network of real estate agents and other developers and builders. Real estate agents commissions are determined based on location, stage of the project and target customers.

Company engages in a number of promotional activities for its projects. We maintain a database consisting of our existing customers, referrals and leads that we have generated through various advertising and awareness campaigns. We employ various marketing approaches depending on whether the project is residential or commercial these include print advertising, sales displays at domestic property exhibitions, hoarding etc.

The pricing of the projects is decided by the Promoters of our Company. The pricing of a project is arrived at after considering the prevailing market, the competitive landscape and the nature of the project.

f. Completion and Hand-over of the Property

Once construction has been completed, company conveys the relevant interests in the commercial, residential and retail properties to buyers. It is ensured that the entire consideration is paid at the time of the transfer of interest. Usually all the properties are sold to the buyers and not rented.

Our client service team provides comprehensive assistance beginning from the booking process through to the project's completion. The buyers are kept informed during the various stages of construction and the buyers will receive advance notice in anticipation of final possession. We register the sale documents and transfer title to the customer upon the completion of the project and the receipt of the building completion certificate from the appropriate

authorities. We ensure the entire consideration is paid to us prior to the transfer of title or before possession is handed over, whichever is earlier.

Upon completion of the project, we will usually engage the services of a property management company to manage the day-to-day running of the property.

In either case, we encourage continuous feedback from our buyers pertaining to customer needs to ensure appropriate action on our part and to ensure customer satisfaction.

Competition

Our Company operates in highly competitive markets, and competition in these markets is based primarily on the availability and cost of land. To remain competitive, our Company strives to reduce procurement costs and improve operating efficiencies.

Company faces significant competition from other entities engaged in the real estate development business, many of which undertake projects similar in the same regional markets in which our Company's projects are located. Some of the competitors have greater financial, marketing, sales and other resources than our Company. The competitors include large and small real estate developers who are active in the regions where our Company operates. Currently company faces competition from domestic real estate developers. As a consequence of the relaxation of FDI policy for the real estate sector, it expects to face competition from international real estate developers as well.

Moreover, as our Company seek to diversify into new geographies, it faces the risk from some of its competitors who have a pan-India presence and also from other competitors have a strong presence in the regional markets. Competitive overbuilding in certain markets may have a material adverse effect on our Company's operations in that market.

The key competitors of our Company include real estate developers such as Ganesh Housing Corporation Limited, Dharmdev Infrastructure Private Limited, Bakeri Engineering and Infrastructure Limited, Iscon Group, Savvy Infrastructure Private Limited, Safal Realty Private Limited and Pacifica Developers Private Limited.

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of every property development we identify potential material hazards, evaluate material risks and institute, implement and monitor appropriate risk mitigation measures. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors.

Employees

As on March 31st, 2010, there are total 31skilled employees of our Company. Skilled employees of our Company include engineers, site staff, employees of finance, accounts, secretarial, legal, HR & Administration department. No unskilled labour is hired by our Company as our Company does all its projects through the contract labour.

We expect that human resources and employee recruitment activities will increase as our business grows. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship with our employees to be good. The employees of our Company are not represented by any unions and they do not have collective bargaining agreements.

We believe that our employees are key contributors to our business success. Our work force consists of (i) our permanent employees, (ii) consultants who we engage on a contractual basis to assist in the architectural and structural design of our projects, and (iii) contractors who are engaged by us on a contractual basis and who employ labourers to work at project sites. Permanent employees of our Company includes personnel engaged in land acquisition, marketing, finance, accounts, secretarial, administration, legal etc.

Insurance

Our Company has obtained standard fire and special perils policy for the construction of building to cover construction risks for the ongoing project namely Dev Exotica the details of which are as under:

Sr. No.	Policy No.	Policy Type	Insurance details including properties covered	Sum Insured (Rs. in lacs)	Premium Paid (Rs. in lacs)	Term	Next Premium due date
1.	141300/11/2010/1551	Standard Fire and Special Peril Policy	Building in course of construction of Dev Exotica (Project of Dev Procon Ltd.) Near Ghuma Bus Stand, Ghuma-Sanand Road, Ghuma, Ahmedabad 380058.	1000.00	0.82	1 year	NA

Intellectual Property

There is no intellectual property of our Company. We have not registered our trade name and logo of our Company.

Property

The Registered Office of our Company located at “Dev House”, Beside Rajpath Club, Near Sankalp Restaurant, S G Highway, Ahmedabad-380059 is not owned by our Company but is taken on rent from Mr. Sanjay H. Thakkar and Devraj Builders Pvt. Ltd. at monthly rent of Rs 50000 vide leave and license agreement dated 05/04/2010. There are no other properties owned or occupied by our Company.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive or complete, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

We are engaged in the business of real estate development. Since our business involves the acquisition of land in several states, it is subject to central and state legislation which regulates substantive and procedural aspects of the acquisition, development and transfer of land. Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant state legislation 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.

Additionally, our projects require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local bye-laws. We are subject to land acquisition, town planning and social security laws. The following is an overview of the important laws and regulations, which are relevant to our business as a real estate developer.

CENTRAL LAWS

Laws relating to land acquisition

Urban Land (Ceiling and Regulation) Act, 1976

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the ceiling on acquisition of vacant urban land by a single entity. It has been repealed in some states including Maharashtra, Haryana, Karnataka and Andhra Pradesh by the Urban Land (Ceiling and Regulation) Repeal Act, 1999. In states where the urban land ceiling law is still operative, there are restrictions on the purchase of large areas of land.

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. A 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 our Company has to abide by State legislations in those states in which it conducts its business.

Laws regulating transfer of property

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the “TP Act”) establishes the general principles relating to transfer of property in India. It forms a 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.

Registration Act, 1908

The Registration Act, 1908 (the “Registration Act”) was enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immovable property. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether at present or in the future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs.100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered.

The Indian Stamp Act, 1899

There is a direct link between the Registration Act and the Indian Stamp Act, 1899 (the “Stamp Act”). Stamp duty needs to be paid on all documents specified under the Stamp Act and at the rates specified in the Schedules there under. The rate of stamp duty varies from state to state. The stamp duty is payable on instruments at the rates specified in Schedule I of the Stamp Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all.

The 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 from 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 in favour of the lessee. The period and incident may be revoked as may be provided in the license agreement entered into between the licensee and the licensor.

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. 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.

The Environment (Protection) Act, 1986

The real estate sector is subject to central, state and local regulations designed to protect the environment. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest (the “MOEF”), the Central Pollution Control Board (the “CPCB”) and the respective State Pollution Control Boards. The MOEF is the key national regulatory agency responsible for policy formulation, planning and coordination of all issues related to environmental protection. The CPCB is the law enforcing body at the national level. It enforces environmental legislation, coordinates the activities of State Pollution Control Committees, establishes environmental standards and plans and executes a nationwide programme for the prevention, control and abatement of pollution.

The Environment Impact Assessment Notification S.O.60 (E), issued on 27 January 1994 (the “1994 Notification”) under the provisions of the Environment (Protection) Act 1986, as amended (the “EPA”), prescribes that new construction projects that have an investment of more than Rs.500 million require prior environmental clearance of the MOEF. The environmental clearance must be obtained from the MOEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained.

The application to the MOEF is required to be accompanied by a project report which should include, inter alias, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of 90 days from receipt of the requisite documents from the project developer/manager. Thereafter, a public hearing has to be completed and a decision conveyed within 30 days.

The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer/manager concerned is required to submit a half yearly report to the Impact Assessment Authority to enable it to monitor effectively the implementation of the recommendations and conditions subject to which the environmental clearance has been given.

If no comments from the Impact Assessment Authority are received within the time limits outlined above, the project will be deemed to have been approved by the project developer/manager.

On September 14, 2006 the Environmental Impact Assessment Notification S.O. 1533 (the “2006 Notification”) was issued in super session of the 1994 Notification.

Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report.

Land Use Planning

Land use planning and its regulation, including the formulation of regulations for building construction, forms a vital part of the urban planning process. Several authorities have jurisdiction to regulate land use planning and real estate development activities in each Indian state.

Various enactments, rules and regulations have been made by the central government, concerned 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, management and taxation of land and real estate. All 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 FA or FSI limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations and the urban arts commission.

Environmental and Labor Regulations

Depending upon the nature of the projects undertaken by our Company, applicable environmental and labor laws and regulations include the following:

Contract Labor (Regulation and Abolition) Act, 1970;

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

Inter State Migrant Workmen Act, 1979;

Factories Act, 1948;

Payment of Wages Act, 1936;

Payment of Bonus Act, 1965;

Employees' State Insurance Act, 1948;

Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

Payment of Gratuity Act, 1972;

Shops and Commercial Establishments Acts, where applicable;

Environment (Protection) Act, 1986 and Environment (Protection) Rules, 1986;

Water (Prevention and Control of Pollution) Act, 1974;

Air (Prevention and Control of Pollution) Act, 1981;

Minimum Wages Act, 1948;

Hazardous Waste (Management and Handling) Rules, 1989; and

Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

STATE LAWS

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 thereunder and require sanctions from the government departments and developmental authorities at various stages. For instance, in certain states such as Haryana, for developing a residential colony, a license is required from the relevant local authority. Where projects are undertaken on lands which 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. The approvals granted by the authorities generally prescribe a time limit for completion of the projects. These time limits are renewable upon payment of a prescribed fee. The regulations provide for obtaining a completion/occupancy certificate upon completion of the project.

Agricultural development laws

The acquisition of land is regulated by state land reform laws which prescribe limits up to which an entity may acquire agricultural land. Any transfer of land which results in the aggregate land holdings of the acquirer in the state exceeding 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 townships, lands are acquired by different entities. After obtaining a conversion certificate from the appropriate authority with respect to a change in the use of the land from agricultural to non-agricultural for development into townships, commercial complexes etc., such ceilings are not applicable. While granting licenses for development of townships, the authorities generally levy development/ external development charges for provision of peripheral services. Such licenses require approvals of layout plans for development and building plans for construction activities. The licenses are transferable on permission of the appropriate authority. Similar to urban development laws, approvals of the layout plans and building plans, if applicable, need to be obtained.

In addition to the applicability of the above-mentioned legislations, we would additionally be subject to the applicable laws of the states where we intend to develop projects in the future and we would have to ensure compliance with the same.

Laws specific to the State of Gujarat

The Bombay Provisional Municipal Corporations Act, 1949 (“BPMC Act”)

The BPMC Act was extended to the State of Gujarat in 1973. It provides for duties and powers of municipal authorities and officers including powers of corporation as to acquisition of property. The BPMC Act further provides that a notice has to be given to the Commissioner of intention to erect building. The act further provides for power of entry, inspection and eviction of the Commissioner and his authority to levy taxes.

The Gujarat Housing Board Act, 1961 (“GHB Act”)

The GHB Act provides for constitution of the Gujarat Housing Board for the purpose of undertaking activities related to housing. The jurisdiction of the Gujarat Housing Board extends to all urban areas in the state which includes the municipal councils, municipal corporations, and town panchayats. The GHB Act provides for objectives of the Gujarat Housing Board that include constructing of houses, shopping complexes, commercial complexes, shops, and multi storied buildings.

The Gujarat Municipalities Act, 1963 (“GM Act”)

The GM Act provides that the State Government is empowered to constitute municipalities and change the limit of the municipalities. It also provides for powers and functions of the director of municipalities, which include power to lay down procedure preliminary to imposing tax. According to the GM Act, the collector is empowered to require a person intending to construct, alter externally or add to any building or to construct or reconstruct any projecting portion of a building to furnish to the chief officer a plan certified by person recognized by the municipality.

The Gujarat Town Planning & Urban Development Act, 1976 (“GTPUD Act”)

The Gujarat Town Planning & Urban Development Act was enacted to consolidate and amend the law relating to the making and execution of development plans and town planning schemes in the state of Gujarat. It provides for constitution of area development authority and urban development authorities. The GTPUD Act also provides for appointment of a town planning officer and levy, assessment and recovery of development charges.

The Gujarat Value Added Tax Act, 2003

The Gujarat Value Added Tax Act prescribes certain requirements in relation to the payment of value added tax in the state of Gujarat.

REGULATIONS REGARDING FOREIGN INVESTMENT

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

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 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 dated November 2005, 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 NRI's:

- a. Development of serviced plots and construction of built up residential premises
- b. Investment in real estate covering construction of residential and commercial premises including business centres and offices
- c. Development of townships
- d. City and regional level urban infrastructure facilities, including both roads and bridges
- e. Investment in manufacture of building materials, which is also open to FDI
- f. Investment in participatory ventures in (a) to (e) above
- g. Investment in housing finance institutions, which is also open to FDI as an NBFC.

FEMA Regulations

The FEMA Regulations, state that the investment cap in the real estate on the activities in the 'Housing and Real Estate' is permit investment to the extent of 100% only by NRIs in the following specified areas:

- Development of serviced plots and construction of built up residential premises
- Investment in real estate covering construction of residential and commercial premises including business centres and offices
- Development of townships
- City and regional level urban infrastructure facilities, including both roads and bridges

- Investment in manufacture of building materials, which is also open to FDI
- Investment in participatory ventures in (a) to (c) above
- Investment in housing finance institutions, which is also open to FDI as an NBFC.

However, all other forms of FDI are prohibited in relation to housing and real estate business.

Press Note 2 of 2005

The law in relation to investment in the real estate sector has further been modified vide press note 2 of 2005, bearing No. 5(6)/2000-FC dated March 3, 2005. The said press note has also amended certain press notes which have been issued earlier, in the same field.

Under the said press note 2, FDI up to 100% under the automatic route is allowed in ‘townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)’, subject to the compliance with the following requirements.

a. Minimum area to be developed under each project is as under

1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
2. In case of construction-development projects, a minimum built up area of 50,000 square meters
3. In case of a combination project, 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 our 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.

d. 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. “Underdeveloped plots” will mean where roads, water supply, street lighting, drainage, sewerage and other conveniences as applicable under prescribed regulations have not been made available.

e. The State Government/ Municipal Local Body concerned, which approves the building/development plans, would monitor compliance of the above conditions by the developer.

Therefore applicable law only permits investment by an NRI under the automatic route in the ‘Housing and Real Estate’ sector upto 100% in relation to townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) and additionally permits upto 100 % FDI in the ‘Housing and Real Estate’ subject to compliance with the terms provided in press note 2 of 2005.

FVCIs, Multilateral and Bilateral Development Financial Institutions shall not be permitted to participate in the Issue.

Our Company will seek clarifications from the RBI for the investments by FIIs and NRIs in the Issue.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the

Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

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 above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

Trade Union Act, 1926

The Trade Union Act, 1926 lays down the procedure for registration of trade union of workman and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.

Maternity Benefit Act, 1951

The Maternity Benefit Act, 1951 provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli as a Private Limited Company on June 6, 2005 under the name and style of Dev Arcade Pvt. Ltd. bearing Corporate Identity Number U45200GJ2005PTC046194 with an authorized share capital of Rs 1 lakhs. The main object of our Company in brief is to do the business of township and/or housing by construction houses, bungalows, row houses, farm houses etc. Fresh Certificate of Incorporation dated 04/01/2010 consequent to change in the name of our Company from Dev Arcade Private Limited to Dev Procon Private Limited was granted to our Company by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Fresh Certificate of Incorporation dated 31/03/2010 was granted consequent to change in the name of our Company due to change in the status of our Company from private limited company to public limited company by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. CIN No. of our Company is U45200GJ2005PLC046194.

HISTORY OF COMPANY:

Our Company has been promoted by Shri Sanjay H. Thakkar and Mr. Deepak Thakkar. Our Company is and carrying on the business of Construction on property for commercial scale and dealing in land and buildings for commercial purposes and acting as Developers.

Shri Sanjaybhai Thakkar, aged about 44 years, is the core promoter of the group. Shri Sanjay Thakkar started his career with a Hotel in the name of 'Avakar' in Kalupur. Under his leadership, expertise and vast experience, the group has come a long way and has developed 20 prestigious commercial and residential complexes. His construction group is well known as DEV Group and most of the projects are carrying the prefix Dev with name. Shri Sanjay Thakkar takes care of the overall construction activity of the group. He also looks after Government Department and Town Planning Departments. Shri Deepak Thakkar who bearing diversified experience and knowledge about construction business assisting him in construction, purchase and sale activity in the group.

Initially, the group was doing the real estate business under the proprietary concerns established by our promoters and concentrated only on residential projects, and thereafter started their business expansion by enter into commercial projects. After the expansion of the business, our promoters were started to establish this Group and in June, 2005, Dev Procon Ltd (previously known as Dev Arcade Private Limited) was incorporated to do the real estate projects in its individual capacity.

HISTORY OF PROJECTS:

As on March 31, 2010, the Dev Group has completed approximately 19.99 Lacs square feet of Residential, Commercial and Retail Projects. There are 6 ongoing projects of the Group which are situated at Ahmedabad, Anand and Baroda and estimated saleable area of these ongoing projects is approximately 13.30 lacs square feet. The Group has already planned to execute the 1 projects in Ahmedabad and the saleable area of these planned projects is estimated at approximately 1.01 lacs square feet.

CHANGES IN REGISTERED OFFICE:

Our Company was incorporated with its registered office situated at 5 NO 3/01/1, Devnandan Palace, Opp. J P Farm, Ambli – Pipal Road, Ahmedabad – 380058. Thereafter it was shifted to its existing address namely "Dev House", Opp Sankalp Restaurant, Near Rajpath Club, S G Highway, Ahmedabad- 380058 due to administrative convenience. w e f January 12, 2010.

MAJOR EVENTS:

Calendar Year	Events
2005	Incorporation of our Company.
2010	Our Company was converted into a public limited company with the name DEV PROCON LIMITED and received a fresh certificate of incorporation consequent upon change in status from the RoC, Gujarat, Dadra & Nagar Haveli.

Our Company has seven members.

For details of our competitors, please refer to “Business Overview” and “Basis of Issue Price” on pages 63 and 33 of this Draft Red Herring Prospectus.

Other than as disclosed in “Capital Structure” on pages 17 of this Draft Red Herring Prospectus, the Company has not issued any capital in the form of equity.

For details on Corporate profile of our Company regarding its history, the description of the activities, services, products, market of each segment, the growth of our Company, the standing of the issuer with reference to the prominent competitors with reference to its products, management, major suppliers and customers, environmental issues, segment, i.e. geographical, etc. refer to page 63 of the Business Overview section of this Draft Red Herring Prospectus.

For information on technology, market, managerial competence and capacity built up refer to section titled “Business Overview” on page 63 of this Draft Red Herring Prospectus.

For details on number of members of our Company refer to page 17 of the Capital Structure section of this Draft Red Herring Prospectus.

Our Company has made Reschedulement of borrowing of Term Loan granted by Central Bank of India, Ahamedabad For details on Reschedulement of borrowing refer to page xi of the Risk Factors of this Draft Red Herring Prospectus.

AWARDS AND ACCREDITATIONS:

Calendar Year	Events
2009	The Dev Group has won the Certificate of Honor in the 5 th GIHED Property Show, 2009 organised by The Gujarat Institute of Housing & Estate Developers.

MAIN OBJECT OF OUR COMPANY:

1. To do the business of township and/or housing by construction houses, bungalows, row houses, farm houses, resorts with or without adjoining gardens, and selling, deal with dispose of the same for building and to carry on business as building contractors and to acquire land and plots for colonization or otherwise, sell plots, construct buildings for sale or otherwise, the business to construct, build, alter, acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of construction, developmental, infrastructures work in all its branches such as roads, ways, culverts, wharves, warehouses, factories, buildings, structures, drainage and sewage works, water distribution and filtration systems, docks, harbours, piers, irrigation works, foundation works, flyovers, airports, runways, rocks drilling, aqueduct, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, public utilities, dharmashals, multistories, colonies, complexes, housing products and other works and for the purpose to acquire, handover, purchase, sell, own, cut to size, develop, distribute or otherwise to deal in all sorts of land and buildings.
2. To construct of cause to be constructed the building/s, or generally to develop and to construct any Infrastructure projects such as roads, ways, culverts, hotels, hospitals, housing projects and other residential flats, tenements, banglows, site or estate or any commercial complexes, as per its scheme and to hold land and building/s and developments constituting the estate of the Company and also to carry out any work of any Government! Semi-Government or any such authorities, on contractual basis.
3. To acquire by purchase, lease-, exchange, hire or otherwise and to take over or develop any complex, building and hereditaments of any tenure or descriptions any estate or interest therein and any right over or connected with land and buildings so situated and develop in particular by preparing building site by constructing, reconstructing, pulling down, altering, improving, decorating, furnishing, maintaining and fittings up hotels, motels, flats, rooms, houses, restaurants, markets, shops, workshops, mills, factories, warehouses, coldstorages, wharves, godowns, offices, garden, swimming pools, playgrounds, buildings, works and conveniences of all Kinds and by leasing,

hiring, exchanging or disposing off the same and to manage land, building and other properties whether belonging to the Company or not.

4. To provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer anywhere in India or elsewhere in world on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders , apply or bid for, acquire, transfer to operating companies in infrastructure sector , facilities including but not limited to bridges, airport, ports, waterways, rail system, highway projects, water supply projects , pipelines, sanitation and sewerage system, telecommunication facilities, colonisers, townships, technology parks, software parks, cyber city, and all types of construction activities , whether alone or in collaboration or assistance or joint venture or partnership, or development of Special Economic Zone (SEZ) or in any other manner or arrangement with one or more person(s) including helping, assisting, and/or aiding such person and to setup, establish, own, run, maintain, manage and operate the business in India or outside India of markets and malls, shopping centers, departmental stores, theaters, super markets, hypermarkets, food courts, restaurants, banqueting, business centers, retailing and other commercial facilities and services required in relation thereto and to sell , lease , rent, grant licenses, easements and other rights over and in any other manner deal with or dispose of the undertaking , property , assets, rights and effects of the Company, or any part thereof for such consideration the Company may think fit and to execute power projects including to act as electricians , electrical and mechanical engineers, consultant, adviser, architect for the projects relating to generation, storage, accumulation, transmission , distribution, supply, purchase, sale, exchange, export, import, and trading of electricity power and other sources of energy and to carry on experiments , research and development in the field of generation of electricity power and other sources of energy whether conventional or non conventional anywhere in India or abroad.

AMENDMENTS TO MEMORANDUM OF ASSOCIATION:

Date of Shareholders Approval	Nature of changes in the Memorandum of Association
November 14, 2005	The authorised share capital of our Company comprising Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each was increased to Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs. 10 each
May 28, 2007	The Authorised Share Capital of Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs. 10 each was increased to Rs. 11,00,00,000 divided into 1,10,00,000 equity shares of Rs. 10 each
November 26, 2008	Clause 44A was added to the object which Incidental/Ancillary to attainment of “Main object” clause of the Memorandum of Association.
December 5, 2009	Change in the name of our Company from Dev Arcade Private Limited to Dev Procon Private Limited.
December 30, 2009	The Authorised Share Capital of Rs. 11,00,00,000 divided into 1,10,00,000 equity shares of Rs. 10 each was increased to Rs. 50,00,00,000 divided into 5,00,00,000 equity shares of Rs. 10 each
March 10, 2010	Change in the name of our Company from Dev Procon Private Limited to Dev Procon Limited due to change in the status of our Company from private limited company to public limited company
April 1, 2010	Addition of New main object clauses (2), (3) & (4) in the Main Objects Clause III [A] (1) and addition of Clause III [C] 56 to 63 in the Memorandum of Association of our Company

SUBSIDIARY COMPANIES:

1. DEVDIP ARCADE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on September 8, 2006 with Registration No U45200GJ2006PTC049053 with the main object to carry either alone or jointly the business to construct, build, erect, develop and to act as civil engineer, consultant, agent, contractor and manager of all types of developmental work in all its branches such as dams, roads, residential complex, etc and to deal in all source of land and buildings etc

Registered Office

The Registered Office of the Company is situated at 1, Devpriya -II, Shyamal Char Rasta, Satellite, Ahmedabad-380015

Capital Structure of the Company as on 31.03.2010

Authorized Share Capital of the company is Rs 1, 00,000 (Rupees One Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Paid- up Share Capital of the company is Rs 1, 00, 000 (Rupees One Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Equity Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Dev Procon Limited (previously known as Dev Arcade Private Limited)	9999	99.99
Mr. Sanjay Thakkar	1	0.01
Total	10000	100.00

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Sanjay Thakkar	Director
Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2010	2009	2008
Total Income	-	16.84	-
Profit after tax (PAT)	-1.16	9.68	-0.07
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	8.30	9.47	-0.21
Net Worth	9.30	10.47	0.79
Earnings per share (EPS) (Rs.)	-11.64	96.76	-0.70
Net Asset Value (NAV) per share (Rs.)	93.02	104.66	7.90

Source: Audited Financial Statements

Notes: Face value of each equity share is Rs.10/-.

NAV= Net Worth divided by No. of outstanding Equity Shares

2. DHAMAL ESTATES PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on January 16, 2009 with Registration No U45400MH2009PTC189624 with the main object to carry on the business as to acquire, buy, purchase, lease, let or otherwise own property, estates, lands, buildings, or other immovable properties or constructors and developers of houses, bungalows, row houses, farm houses and resorts etc.

Registered Office

The Registered Office of the Company is situated at 401-402, Parekh Market, Opera House, Mumbai Maharashtra-400004.

Capital Structure of the Company as on 31.03.2010

Authorized Share Capital of the company is Rs 1,00,000 (Rupees One Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Paid- up Share Capital of the company is Rs 1, 00,000 (Rupees Four Crores Fifty Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Equity Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Dev Procon Limited (previously known as Dev Arcade Private Limited)	9999	99.99%
Mr. Sanjay H. Thakkar	0001	00.01%
Total	10000	100.00

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay H. Thakkar	Director
Mr. Dipak A. Thakkar	Director

The financial highlights for the last 3 years are given below:

Year Ended March 31	2010	2009	2008
Total Income	NIL	NIL	NA
Profit after tax (PAT)	-0.001	-0.085	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	0.00	0.00	NA
Net Worth	0.91	0.92	NA
Earnings per share (EPS) (Rs.)	-0.01	-0.85	NA
Net Asset Value (NAV) per share (Rs.)	9.15	9.15	NA

(Rs lacs)

Source: Audited Financial Statements

Notes: Face value of each equity share is Rs.10/-.

NAV= Net Worth divided by No. of outstanding Equity Shares

3. DEVFUN POINT REALITY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 9, 2009 with registration No U74900GJ2009PTC057191 with the main object to carry in anywhere in the world the business of running hotel in all its aspects to run, manage, acquire, control, own the same including restaurant , cafe etc. and importers and dealers of aerated, minerals and artificial waters and other drinks , caterers for public amusements etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1, FP5/2, Near JP Farm, Ambli, Bopal Road, Near Iscon, Ahmedabad-380058

Capital Structure of the Company as on 31.03.2010

Authorized Share Capital of the company is Rs 4,50, 00,000 (Rupees Four Crores Fifty Lacs) divided into 45,00,000 (Forty Five Lacs) equity shares of Rs 10 each.

Paid- up Share Capital of the company is Rs 4,50, 00,000 (Rupees Four Crores Fifty Lacs) divided into 45,00,000 (Forty Five Lacs) equity shares of Rs 10 each.

Equity Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Dev Procon Limited (previously known as Dev Arcade Private Limited)	4499999	99.99998%
Mr. Sanjay H. Thakkar	1	00.00002%
Total	4500000	100.00

Board of Directors

The following are the Board of Directors as on 31.30.2010.

Name	Designation
Mr. Sanjay H. Thakkar	Director
Mrs. Rita Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2010	2009	2008
Total Income	30.38	NA	NA
Profit after tax (PAT)	1.15	NA	NA
Equity Share Capital	450.00	NA	NA
Reserves (excluding revaluation reserve)	1.15	NA	NA
Net Worth	451.15	NA	NA
Earnings per share (EPS) (Rs.)	0.03	NA	NA
Net Asset Value (NAV) per share (Rs.)	10.03	NA	NA

Source: Audited Financial Statements

Notes: Face value of each equity share is Rs.10/-

NAV= Net Worth divided by No. of outstanding Equity Shares

4. DEVPRIYA INFRASTRUCTURE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on December 10, 2007 vide Registration No. U45201GJ2007PTC052303 with the main object to carry on the business carry on the business to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon, Ahmedabad-380058

Capital Structure of the Company as on 31.03.2010

Authorized Share Capital of the company is Rs 1, 00,000 (Rupees One Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Paid- up Share Capital of the company is Rs 1, 00, 000 (Rupees One Lacs) divided into 10,000 (Ten Thousand) equity shares of Rs 10 each.

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Dev Procon Limited (previously known as Dev Arcade Private Limited)	9999	99.99%
Mr. Sanjay Thakkar	0001	00.01%
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2010	2009	2008
Total Income	NIL	NIL	NIL
Profit after tax (PAT)	NIL	NIL	NIL
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	NIL	NIL	NIL
Net Worth	-129.88	-126.65	-39.90
Earnings per share (EPS) (Rs.)	NIL	NIL	NIL
Net Asset Value (NAV) per share (Rs.)	-1298.84	-1266.54	-398.95

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

NAV= Net Worth divided by No. of outstanding Equity Shares

MATERIAL AGREEMENTS:

As on date of filling this Draft Red Herring Prospectus with SEBI, there are no material agreements with any other company or entity.

JOINT VENTURE AGREEMENTS:

As on date of filling this Draft Red Herring Prospectus with SEBI, there are no joint venture agreements with any other company or entity.

SHAREHOLDERS/ OTHER AGREEMENTS/ARRANGEMENTS:

Except the agreements/Contracts entered in the ordinary course of business carried on and intended to be carried on by our Company, our Company has not entered into any other agreement/contract.

STRATEGIC PARTNERS:

As on date of filling this Draft Red Herring Prospectus with SEBI, there are no strategic partner agreements entered into by our Company.

FINANCIAL PARTNERS:

As on date of filling this Draft Red Herring Prospectus with SEBI, there are no financial partnership agreements entered into by our Company.

OUR MANAGEMENT

The following table sets forth details regarding our Board as on filing the Draft Red Herring Prospectus with SEBI.

Sr. No.	Particulars	Age	Director Identification Number	Other Directorship
1.	<p>Mr. Sanjay H. Thakkar s/o Mr. Hiralal Dayaram Thakkar</p> <p>Address : Devnandan Bungalow, Opp. Swagat Bungalow, Ambligam, Ahmedabad, 380058, Gujarat, India.</p> <p>Occupation : Business</p> <p>Chairman & Managing Director</p> <p>Qualification: F.Y.B.A.</p> <p>Date of Appointment : Since Incorporation w e f 06/06/2005</p>	44	00362591	<ul style="list-style-type: none"> • Aadarsh Industries and Investments Private limited • Sizing Materials Chemicals and Electronics Private Limited • Harshvadan Mangaldas Investments Private Limited • Devraj Builders Private Limited • Devdip Malls Developers Private Limited • Devpriya Infrastructure Private Limited • Devdiya Reality Private Limited • Devdiya Builders Private Limited • Devdiya Infrastructure Private Limited • Devbhumi Arcade Private Limited • Devrushi Reality Private Limited • S. P. Property Private Limited • Relic Property Development Private Limited • Devrushi Arcade Private Limited • Devdiya Arcade Private Limited • Amikrupa Reality Private Limited • Devraj Arcade Private Limited • Devfun Point Reality Private Limited • Devshakti Reality Private Limited • Devshakti Arcade Private Limited • Devdiya Procon Private Limited • Mahavir Procon Private Limited • Devdiya Organiser Private Limited • Dhamal Estates Private Limited • Devdip Arcade Private Limited
2.	<p>Mr. Dipak A. Thakkar s/o Mr. Ajitkumar Ambalal Thakkar</p> <p>Address : 1,Devpriya-II, Nr. Anandnagar, Satellite, Ahmedabad, 380015, Gujarat, India.</p> <p>Occupation : Business</p> <p>Whole-time director</p> <p>Qualification: H.S.C.</p> <p>Date of Appointment : 18/12/2006</p>	30	00362594	<ul style="list-style-type: none"> • Aadarsh Industries and Investments Private limited • Sizing Materials Chemicals and Electronics Private Limited • Harshvadan Mangaldas Investments Private Limited • Devdip Malls Developers Private Limited • Devpriya Infrastructure Private Limited • Devdiya Reality Private Limited • S. P. Property Private Limited • Relic Property Development Private Limited • Amikrupa Reality Private Limited • Devraj Arcade Private Limited • Vasundra Property Development Private Limited • Devdiya Arcade Private Limited • Fun Point Resorts Private Limited • Devdiya Builders Private Limited • Devdiya Infrastructure Private Limited • Devdip Builders Private Limited

				<ul style="list-style-type: none"> • Devshakti Arcade Private Limited • Devdiya Organiser Private Limited • Dhamal Estates Private Limited • Mahavir Procon Private Limited • Devdip Arcade Private Limited • Dev-Naranpura Arcade Private Limited • Navdeep Infracon Private Limited
3.	Mr. Sunilkumar N Patel s/o Mr. Natvarbhai Shankar Patel Address : A-13 Vrundavan Soc, Viratnagr Road Odhav, Ahmedabad, 382415, Gujarat, India Occupation : Service Additional Director Qualification: B. Com. Date of Appointment : 30/12/2009	26	02109468	<ul style="list-style-type: none"> • Devrushi Reality Private Limited • Devbhumi Arcade Private Limited • S. P. Property Private Limited • Vasundra Property Development Private Limited • Devrushi Arcade Private Limited
4.	Mr. Hardayal T Manshani s/o Mr. Tarachand Pradhandas Manshani Address : M-1, Radhesh Apts, Nr Udgam School, Thaltej, Ahmedabad, 380054, Gujarat, India Occupation : Business Independent Director Qualification: B.Com. Date of Appointment : 30/12/2009 Term: Liable for retire by rotation	50	02905869	NIL
5.	Mr. Sharad J Mehta s/o Mr. Janmashanker Jatashanker Mehta Address : 13/A, Swashray Society, Nr Juhupark Society, Navavadaj, Ahmedabad – 380013, Gujarat, India	60	02912381	NIL

	Occupation : Business Independent Director Qualification: B. Sc. Date of Appointment :25/03/2010 Term: Liable for retire by rotation			
6.	Mr. Bhupendra D Thakkar s/o Mr. Damodardas Ishwardas Thakkar Address : 9, Radhuvanshi Society, Nr Nadrashi Temple, Khokhra, Memdabad, Ahmedabad – 380008, Gujarat, India Occupation : Business Independent Director Qualification: 11th Standard Date of Appointment : 30 /03 /2010 Term: Liable for retire by rotation	40	03023167	NIL

There is no relationship between any of the directors of our Company.

Details of service contracts entered into by the directors with the issuer providing for benefits upon termination of employment.

None of our Directors or members has entered into any service contracts and no benefits upon their termination from employment other than the statutory benefits provided by our Company.

Arrangements and understanding with major shareholders.

None of our Directors or member of senior management has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Brief profile of the Directors.

Please refer to the section “Our Promoters And Promoter Group” on page no 103 of Draft Red Herring Prospectus for brief profile of our Promoter Directors. Brief profile of other directors are given hereunder:

1. Mr. Sunilkumar N. Patel aged 26 years is one of our additional directors and has completed Third Year B. Com. from Gujarat University. He has five Years experience as a Consultant in real estate business. He has created goodwill in the market and his wide knowledge and marketing strategies have significantly contributed to the success of Dev Group.

2. Mr. Sharad J. Mehta aged 60 years is Independent & Non-Executive Director of the Company and has completed Third Year B. Sc. from Saurashtra University. He has 29 years experience in Insurance Industries including experience in Hotel industry of 20 years.
3. Mr. Hardayal T. Manshani aged 50 years is one of our Independent & Non-Executive Director of the Company and has completed Third Year B. Com. from Birla College, Bhawanimandi. He has 15 years experience in Electronic Business. He is also property agent since last 10 years.
4. Mr. Bhupendra D Thakkar aged 40 years is one of our Independent & Non-Executive Director of the Company and has completed his 11th standard from Kalyan Higher Secondary School, Khokhara, Mehmedabad, Ahemdabad. He has 10 years experience in Marketing and as Project In Charge in the Real Estate Business.

Borrowing Powers of the Board of Directors

Our Company at its Extra Ordinary General Meeting held on April 15, 2010, passed a resolution authorizing the Board of Directors pursuant to the provisions of section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of our Company be an is hereby accorded to the Board of Directors of our Company, for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money / moneys so borrowed by the Board shall not at any time exceed the limit of Rs.500 Crores (Rupees Five Hundred Crores only). or without the consent of our Company in a general meeting.

Terms of Appointment and Compensation of Managing/Executive Director

Sr No	Name of Director	Date of contract/Appointment Letter/Resolution	Term	Compensation (per annum)
1	Mr. Sanjay H Thakkar	Board resolution dated 06/01/2010	5 years w.e.f 1 st January, 2010 to 31 st December, 2015	Rs. 5 Lacs per month with effect from 1 st January, 2010 i.e., Rs. 60 Lacs per annum
2	Mr. Dipak A Thakkar	Board resolution dated 06/01/2010	5 years w.e.f 1 st January, 2010 to 31 st December, 2015	Rs. 1.25 Lacs per month with effect from 1 st January, 2010 i.e., Rs. 15 Lacs per annum

At the Board Meeting held on January 6th, 2010, Mr. Sanjay Thakkar was appointed as Chairman and Managing Director of our Company. The Board of Director of our Company approved the appointment and terms of remuneration of Mr. Sanjay Thakkar as Chairman and Managing Director of our Company for a period of five years with effect from January 1st, 2010.

The terms and conditions of his appointment and remuneration were determined wide resolution passed dated January 6th, 2010 are briefly outlined herein below;

(a) Salary : Rs. 5,00,000/- p.m.

(b) Commission : Commission in addition to the salary, perquisites and allowance payable, calculated with reference to the net profits of our Company in a particular financial year and as may be determined by the Board of Directors of our Company at the end of each financial year, subject to the overall ceiling stipulated in the Companies Act 1956

II. Tenure : Five Years (From 1st Jan2010 to 31st Dec, 2015)

III. Perquisites and Amenities

- (a) Car and Telephone : Provision of Car used for Company's business and Telephone at residence will not be considered as perquisites.
However, personal long distance calls and use of car for private purposes shall be billed by our Company.
- (b) Mobile : Cost of Mobile Instrument and its bill will be Paid by our Company.

IV. Other Terms and Conditions:

- a. He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- b. Our Company will reimburse Mr. Sanjay Thakkar expenses incurred by him for entertainment, traveling and other expenses in connection with the business of the Company.
- c. He shall be free to resign his office by giving three calendar months' notice in writing to our Company.
- d. He shall be entitled to compensation for loss of office in accordance with the provisions of Section 318 of the Act, if at any time his office is determined before the expiry of his term of office.
- e. In the event of loss, inadequacy of profit in any year as contemplated by part II, Schedule XIII of the Companies Act, 1956, minimum remuneration as above shall be paid to him.
- f. The term of office of Mr. Sanjay Thakkar as Chairman and Managing Director of our Company shall be subject to retirement by rotation.

The Board of directors of our Company is been authorized to alter or vary the terms of appointment including relating to remuneration as it may at its discretion, deem fit from time to time.

At the Board Meeting held on January 6th, 2010, Mr. Dipak Thakkar was appointed as Whole time Director of our Company. The Board of Director of our Company approved the appointment and terms of remuneration of Mr. Dipak Thakkar as Whole time Director of our Company for a period of five years with effect from January 1st, 2010.

The terms and conditions of his appointment and remuneration were determined wide resolution passed dated January 6th, 2010 are briefly outlined herein below;

- I. (a) Salary : Rs. 1,25,000 pm
- II. Tenure : Five Years (From 1st Jan2010 to 31st Dec, 2015)

III. Perquisites and Amenities

- (a) Car and Telephone : Provision of Car used for Company's business and Telephone at residence will not be considered as perquisites.

However, personal long distance calls and use of car for private purposes shall be billed by our Company.
- (b) Mobile : Cost of Mobile Instrument and its bill will be Paid by our Company.

IV. Other Terms and Conditions:

- a. He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

- b. Our Company will reimburse Mr. Dipak Thakkar expenses incurred by him for entertainment, traveling and other expenses in connection with the business of the Company.
- c. He shall be free to resign his office by giving three calendar months' notice in writing to our Company.
- d. He shall be entitled to compensation for loss of office in accordance with the provisions of Section 318 of the Act, if at any time his office is determined before the expiry of his term of office.
- e. In the event of loss, inadequacy of profit in any year as contemplated by part II, Schedule XIII of the Companies Act, 1956, minimum remuneration as above shall be paid to him.
- f. The term of office of Mr. Dipak Thakkar as Whole time Director of our Company shall be subject to retirement by rotation.

The Board of directors of our Company is been authorized to alter or vary the terms of appointment including relating to remuneration as it may at its discretion, deem fit from time to time.

At the Board Meeting held on January 7th, 2010, the Board of Director has revised the salary structure of Mr. Sanjay Thakkar, Chairman and Managing Director and Mr. Dipak A Thakkar , Whole time Director and decided to pay upto Rs 5.00 lacs to both considering the financial and liquidity positions of the company as well as the prevailing economic scenario of the world and real estate business.

Details of the compensation & benefits in kind granted during the last financial year 2009-10 to the Managing/ Executive directors:

(In Lacs)		
Name of executive director	Compensation during last year	Other Benefits granted during last year
Mr. Sanjay H Thakkar	10	-
Mr. Dipak A Thakkar	15	-

Payment or benefit to officers of our Company

Except as stated in the Draft Red Herring Prospectus, no amount or benefit has been paid or is intended to be paid or given to any of the officers of our Company except the normal remuneration for services rendered as Directors, officers or employees.

Corporate Governance

Company has complied with the requirements of the applicable regulations, including the Listing Agreement to be entered into with Stock Exchanges and the SEBI Regulations, in respect of corporate governance, including constitution of the Board and Committees thereof. The corporate governance framework of our Company is based on an effective independent Board, separation of the Board's supervisory role from the executive management and constitution of Board Committees.

We have a 6 member Board with a Chairman constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with corporate governance i.e. having half of the Board's strengths as Independent. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board

Audit Committee

The Audit Committee was constituted by our Board of Directors at their meeting held on 01/04/2010. The Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings of the Audit Committee. The scope and functions of the Audit Committee are in accordance with section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Constitution of the Audit Committee are:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Mr. Hardayal T Manshani	Chairman	Independent Director
2	Mr. Bhupendra D. Thakkar	Member	Independent Director
3	Mr. Sharad J Mehta	Member	Independent Director

The Company Secretary of our Company acts as the secretary of the Audit Committee.

The terms of reference of the Audit Committee include the following:

- a. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- c. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the report of the Board in terms of clause (2AA) of Section 217 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices along with reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report;
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f. Reviewing and monitoring, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- h. Reviewing the adequacy of internal audit function, if any, 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;
- i. Discussing with the internal auditors any significant findings and follow up there on;
- j. 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;
- k. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- l. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- m. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing; and

- n. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

The Audit Committee shall mandatory review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted by our Board of Directors at their meeting held on 01/04/2010. The Shareholders'/Investors' Grievance Committee shall meet at least four times a year with an interval of maximum four months between two meetings.

The Constitution of the Audit Committee are:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Mr. Hardayal T Manshani	Chairman	Independent Director
2	Mr. Sharad J. Mehta	Member	Independent Director
3	Mr. Dipak A Thakkar	Member	Whole Time Director

The Company Secretary of our Company acts as the secretary of the Shareholders'/Investors' Grievance Committee.

The terms of reference to the Shareholders'/Investors' Grievance Committee include the following:

- (a) Redressal of investors' grievances/complaints such as non-receipt of declared dividends, balance sheets of the Company, etc;
- (b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Issue of duplicate certificates and new certificates on split/consolidation/renewal, re-materialization of shares etc.; and
- (d) Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

Compensation-cum-Remuneration Committee

The Compensation-cum-Remuneration Committee was constituted by our Board of Directors at its meeting held on 01/04/2010.

The Constitution of Compensation-cum-Remuneration Committee are:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Mr. Hardayal T Manshani	Chairman	Independent Director
2	Mr. Bhupendra D. Thakkar	Member	Independent Director
3	Mr. Sharad J Mehta	Member	Independent Director

The Company Secretary of our Company acts as the secretary of the Compensation-cum-Remuneration Committee.

The terms of reference to the Compensation-cum-Remuneration Committee include the following:

- (a) Considering and recommending grant of employees' stock options under the Company's Employee Stock Option Plan and administration and superintendence of the same;
- (b) Reviewing, assessing and recommending the appointment of Executive / whole-time Directors;
- (c) Reviewing the remuneration packages of Executive/ whole-time Directors;
- (d) Recommending payment of remuneration in accordance with the provisions of the Companies Act and recommending remuneration in case of the same exceeding the statutory limit subject to the approval of Board of Directors, shareholders and the Central Government; and
- (e) Carrying out any other function contained in the Listing Agreement as and when entered into by the Company.

Changes in Directors during Last Three Years

Change in the composition of the Board of Director during the last 3 years from the date of filing of the Draft Red Herring Prospectus is as follows:

Sr. No.	Name	Date of Appointment	Date of Cessation	Reason for Change
1.	Mrs. Rita S Thakkar	-	11-10-2008	Resigned as Director
2.	Mr. Sunilkumar N Patel	30-12-2009	-	Appointed as an Additional Director
3.	Mr. Hardayal T Manshani	30-12-2009	-	Appointed as an Independent Director
4.	Mr. Sharad J Mehta	25-03-2010	-	Appointed as Independent Director
5.	Mr. Bhupendra D Thakkar	30-03-2010	-	Appointed as Independent Director

Shareholding of Directors

Our Directors are not required to hold any qualification shares under the terms of our Articles.

The following table details 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. Sanjay H. Thakkar	1,42,68,750
Mr. Dipak A. Thakkar	32,26,250
Mr. Sunilkumar N Patel	NIL
Mr. Hardayal T Manshani	NIL
Mr. Sharad J Mehta	NIL
Mr. Bhupendra D Thakkar	NIL

Interests of 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 commission and/or 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 distributors in respect of the said Equity Shares. The Directors may also be interested to the extent of the options of our Company held by them.

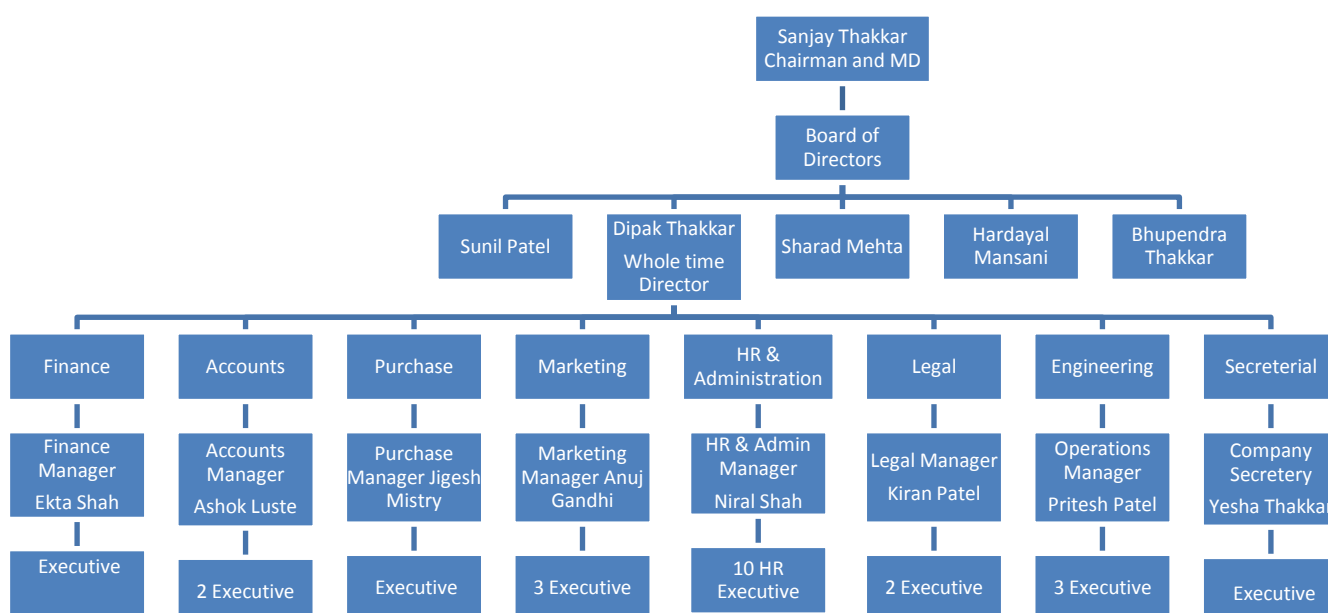
Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the

contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Except as disclosed in the section titled “History and Certain Corporate Matters” beginning on page 84 of this Draft RedHerring Prospectus, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For further details on the interests of Directors, please refer to the section titled “Related Party Transactions” beginning on page 139 & 166 of this Draft Red Herring Prospectus.

Organization Chart



Key-Managerial Personnel

The following key personnel assist the Management:

Sr. No.	Name	Age (in years)	Qualification	Designation	Date of appointment	Experience in years	Previous employment	Previous year Salary(F.Y 2008-09) (Rs in Lacs.)	Functions
1.	Mr. Ashok Luste	35	B. Com, DCA	Account Manager	1 st February, 2008	15 years	KDEPL Pvt Ltd	3.10	His responsibilities include preparation of accounts, bank information and reports, co-ordinating loan syndication and, insurances, preparation of

									budgets and interaction with auditors.
2.	Mr. Kiran Patel	33	B. Com	Legal Manager	9 th February, 2008	13 years	Infinium Toyota	2.00	He handles the entire legal matters pertaining to business transactions and ensures adherence to government regulations for the same.
3.	Mr. Pritesh Patel	39	Diploma Civil engg.	Operation Manager	11 th March, 2008	7 years	Patel Engineers	3.72	He is responsible for overall execution and contracts negotiation.
4.	Mr. Jignesh Mistry	35	B. Com	Purchase Manager	21 st March, 2008	9 years	Anaar Builders Pvt. Ltd	4.44	He is responsible for the procurement of stores and spares required for the project sites.
5.	Mr. Anuj Gandhi	24	Diploma Civil Engg.	Marketing Manager	5 th April, 2008	6 years	Quality Creation Pvt Ltd	1.92	He is responsible for business development and specializes in identifying new acquisition opportunities and preparation of strategic business plan apart from handling select strategic corporate initiatives
6.	Mrs. Ekta Shah	29	B. Com, DCA	Finance Manager	25 th April, 2008	10 years	Mahila Vikas Co Op Bank	1.56	She handles financial aspects of our company.
7.	Mr. Niraj Shah	26	Advance Diploma in Management Information system(AD MIS), Diploma in Pharmacy.	HR & Admi Manager	12 th May, 2008	5 years	Wilkinson PLC, London, UK	1.70	He is responsible for the management of human resources of the Company.
8.	Ms. Yesha Thakkar	28	ACS	Company Secretary	1 st March, 2010	3 Years	Western India Shipyard Limited	-----	She is responsible for compliance of company law and other statutory laws related matters .

All the above Employees, Key Managerial Personnel are the permanent employees of our Company.

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.

The nature of any family relationship between any of the key managerial personnel.

None of our Key managerial personnel having any family relationship between them.

Shareholding of Key Managerial Personnel

None of our Key Managerial Employees hold any shares in our Company.

Bonus or profit sharing plan for the key management personnel

There is no bonus or profit sharing plan for key management personnel of our Company.

Employee Stock Option Plan/Employee Stock Purchase Scheme

We do not have any employee stock option scheme/ Employee Stock Purchase Scheme as of the date of filing of this Draft Red Herring Prospectus.

Changes in the Key Managerial Personnel

The following changes have occurred in the Key managerial personnel during last three years from the date of filing of Draft Red Herring Prospectus.

Name	Designation	Appointment / Resignation Date	Reasons for change
Mr. Ashok Luste	Account Manager	1 st February, 2008	Appointment
Mr. Kiran Patel	Legal Manager	9 th February, 2008	Appointment
Mr. Pritesh Patel	Operation Manager	11 th March, 2008	Appointment
Mr. Jignesh Mistry	Purchase Manager	21 st March, 2008	Appointment
Mr. Anuj Gandhi	Marketing Manager	5 th April, 2008	Appointment
Mrs. Ekta Shah	Finance Manager	25 th April, 2008	Appointment
Mr. Niral Shah	HR & Administration Manager	12 th May, 2008	Appointment
Ms. Yesha Thakkar	Company Secretary	1 st March, 2010	Appointment

Payment or Benefit to Officers of the Company

Except as stated otherwise in Draft Red Herring Prospectus, no non salary amount or benefit has been paid or given is intended to be paid or given to any Company's employees including Key Management Personnel and our Directors.

Except as disclosed in the Draft Red Herring Prospectus none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his/her employment.

OUR PROMOTERS AND PROMOTER GROUP

PROMOTERS AND THEIR BACKGROUND



The Promoters of our Company are:

1. Mr. Sanjay Thakkar
2. Mr. Dipak Thakkar

Details of Promoters

Mr. Sanjay Thakkar, Chairman and Managing Director of our Company, aged 44 years. He has completed First Year B.A. from Gujarat University. He has experience of more than 17 years in the line of construction business. Under his leadership, the group has constructed residential as well as commercial premises at prestigious locations in Ahmedabad. He is having very good vision in his line of activity and his acumen ship and prudence has resulted in such elevation in life. His main functional responsibility is of all departments of construction.

Mr. Dipak Thakkar, Whole time Director of our Company is aged 29 years .He is has completed his HSC from Gujarat Secondary Education Board . He has experience of more than 10 years in the construction business. Under his leadership, the group has constructed residential as well as commercial premises at prestigious locations in Ahmedabad. He is looking after Purchase of material, construction, development and sale of the projects and liaisons with all the government departments, administration and designing work of product packaging & promotional materials. He is also assisting the Managing Director for effective and efficient implementation of the decisions taken by the Board of Directors in day to day operations.

		
Name of the Promoter	Mr. Sanjay Thakkar	Mr. Dipak Thakkar
Driving License No.	525467/DR	1/AD/99/M31442
Permanent Account No.	AARPT3337Q	ABXPT2568E
Passport No.	F4338204	E0853797
Voter's Identity No.	Not Available	ZCU1319607
Name of Bank & Branch	Central Bank of India, Lal Darwaja Branch, Ahmedabad	Central Bank of India, Lal Darwaja Branch, Ahmedabad
Bank Account No.	1146745474	1146738830

Declaration

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport No, have been submitted to the NSE and BSE at the time of filing of this Draft Red Herring Prospectus with them. Further Company confirmed that it has not been detained as willful defaulter by the RBI .

Interest of Promoters and Common Pursuits

The aforementioned Promoters of our Company are interested to the extent of their shareholding in our Company. Further our promoters who are also Director of our Company may be deemed to be interested to the extent of fees, if

any, payable to them for attending meetings of the Board or a Committee thereof as well as to extent of other remuneration, reimbursement of expenses payable to them.

Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further our individual promoters are also directors on the boards of or members of certain promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any to these Promoter Group entities. For further details, please refer to the section titled ‘Our Promoters and Promoter Group’ on page No 103 of this Draft Red Herring Prospectus. For the payments that are made by our Company to certain Promoter Group entities, please refer to the section titled “Financial Information of the Company”, beginning on page 130.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Payment of benefits to our Promoters

Except as stated in “Financial Information - Related Party Transactions” on page 139 & 166, no amount or benefit has been paid or given to any Promoter within the two preceding years from the date of filing of this Draft Red Herring or is intended to be paid.

PROMOTER GROUP

The natural persons who are part of the Promoter Group (Being immediate relative of our Promoters) are as follows:

Mr. Sanjay Thakkar

Name of the relative	Relationship with Promoters
Mr. Hiralal D Thakkar	Father
Mrs. Sushilaben H Thakkar	Mother
Mrs. Ritaben S Thakkar	Spouse
Mr. Rakeshbhai H Thakkar	Brother
Mr. Umangbhai H Thakkar	Brother
Mrs. Sobhanaben K Thakkar	Sister
Mr. Dev S Thakkar	Son (Minor)
Ms. Miloni S Thakkar	Daughter
Mr. Manishbhai D Sachdev	Spouse's Brother
---	Spouse's Brother
---	Spouse's Sister
Mr. Dahyabhai H Sachdev	Father in law
Mr. Manjulaben D Sachdev	Mother in law

Mr. Dipak Thakkar

Name of the relative	Relationship with Promoters
Mr. Ajitkumar A Thakkar	Father
Mrs. Pragnaben A Thakkar	Mother
Mrs. Naiyaben D Thakkar	Spouse
---	Brother
Mrs. Sheetalben S Pujara	Sister
---	Son
Ms. Diya D Thakkar	Daughter (Minor)
Mr. Viral P Thakkar	Spouse's Brother

---	Spouse's Brother
---	Spouse's Sister
Mr. Pravinbhai P Thakkar	Father in law
Mrs. Nitaben P Thakkar	Mother in law

Group Companies of promoters and Entities

The companies that are part of the Promoter Group have been provided below. The Companies that form part of the Promoter Group includes:

- (i) any body corporate in which ten per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;
- (ii) any body corporate in which a body corporate as provided in (a) above holds ten per cent. or more, of the equity share capital;
- (iii) any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent of the total; and a company promoted by our Promoters.

FINANCIAL INFORMATION OF GROUP COMPANIES/ENTITIES

The information for the last 3 years based on the audited statements in respect of all the Companies, firms, ventures, etc. promoted by the promoters irrespective of whether these are covered under section 370 (1)(B) of the Companies Act, 1956 or not.

1. DEVRUSHI REALITY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 5, 2008 vide Registration No. U45201GJ2008PTC054136 with the main object to carry on the business to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer, architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

1, Devpriya Bunlgow-II, Near Seema Hall, Shyamal Char Rasta, Satellite, Ahmedabad-380 052

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mrs. Naiya Thakkar	5000	50
Mr. Ajitkumar Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Sunil Patel	Director

The financial highlights for the last 3 years are given below:

	(Rs Lacs)		
Year Ended March 31	2009	2008	2007
Total Income	NIL	NA	NA
Profit after tax (PAT)	NIL	NA	NA
Equity Share Capital	1.00	NA	NA
Reserves (excluding revaluation reserve)	NIL	NA	NA
Net Worth	1.00	NA	NA
Earnings per share (EPS) (Rs.)	NIL	NA	NA
Net Asset Value (NAV) per share (Rs.)	9.97	NA	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

2. DEVSHAKTI REALITY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 5, 2008 vide Registration No U45201GJ2008PTC054133 with the main object to carry on the business to purchase, acquire, take on lease any area, land, buildings etc and to act as real estate developers providing services of buy , sale and services of legally approved land for various projects etc.

Registered Office

1,Devpriya Bunglow-2, Anandnagar,Satellite,Ahmedabad-380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Ajitkumar Thakkar	5000	50
Mrs. Naiya Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mrs Naiya Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NA	NA
Profit after tax (PAT)	NIL	NA	NA
Equity Share Capital	1.00	NA	NA
Reserves (excluding revaluation reserve)	NIL	NA	NA
Net Worth	1.00	NA	NA
Earnings per share (EPS) (Rs.)	NIL	NA	NA
Net Asset Value (NAV) per share (Rs.)	9.97	NA	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

3. DEVBHUMI ARCADE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 3, 2008 vide Registration No. U45201GJ2008PTC054106 with the main object to carry on the business to construct, built, alter, acquire,convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc

Registered Office

Devnanadan Palace, Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Harshad Prajapati	5000	50
Mr. Sunil Patel	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sunil Patel	Director

Mr. Sanjay Thakkar	Director
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The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NA	NA
Profit after tax (PAT)	NIL	NA	NA
Equity Share Capital	1.00	NA	NA
Reserves (excluding revaluation reserve)	NIL	NA	NA
Net Worth	1.00	NA	NA
Earnings per share (EPS) (Rs.)	NIL	NA	NA
Net Asset Value (NAV) per share (Rs.)	9.99	NA	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

4. S. P. PROPERTY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 8, 2007 vide Registration No. U45201GJ2007PTC051071 with the main object to carry on the business as developers of land, buildings, immovable properties and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or outside of markets and malls and other commercial facilities and services required in relation thereto etc.

Registered Office

Dec Arc, Iscon Cross Road, Sarkhej Gandhinagar Highway, Satellite, Ahmedabad- 380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sunil Patel	5000	50
Mr. Sureshbharati Gauswami	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

Rs Lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA
Profit after tax (PAT)	NIL	NIL	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	1.00	1.00	NA
Earnings per share (EPS) (Rs.)	NIL	NIL	NA
Net Asset Value (NAV) per share (Rs.)	10.00	10.00	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

5. RELIC PROPERTY DEVELOPMENTY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 8, 2007 vide Registration No. U45201GJ2007PTC051070 with the main object to carry on the business as developers of land, buildings, immovable properties and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or outside of markets and malls and other commercial facilities etc.

Registered Office

Dev Arc, Iscon Cross Road, Sarkhej Gandhinagar Highway, Satellite, Ahmedabad – 380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sunil Patel	5000	50
Mr Sureshbharathi Gauswami	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA
Profit after tax (PAT)	NIL	NIL	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	0.93	1.00	NA
Earnings per share (EPS) (Rs.)	0.00	0.00	NA
Net Asset Value (NAV) per share (Rs.)	9.28	10.00	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

6. VASUNDRA PROPERTY DEVELOPMENT PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on June 8, 2007 vide Registration No. U45201GJ2007PTC051069 with the main object to carry on the business as developers of land, buildings, immovable properties and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or outside of markets and malls and other commercial facilities etc.

Registered Office

Dev Arc, Iscon Cross Road, Sarkhej Gandhinagar Highway, Satellite, Ahmedabad – 380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sunil Patel	5000	50
Mr Harshad Prajapati	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director

Mr. Sunil Patel	Director
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The financial highlights for the last 3 years are given below:

Year Ended March 31	2009	2008	2007
Total Income	414.72	0.00	NA
Profit after tax (PAT)	-26.18	0.00	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	-	0.00	NA
Net Worth	-25.18	1.00	NA
Earnings per share (EPS) (Rs.)	-261.85	0.00	NA
Net Asset Value (NAV) per share (Rs.)	-251.85	9.99	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

7. AMIKRUPA REALITY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on December 8, 2006 vide Registration No. U45202GJ2006PTC049554 with the main object to carry on the business of land development, reality trading/dealing, construction and to construct, erect, build, repair and maintain buildings and other infrastructural projects etc

Registered Office

Plot no 1534,Amikrupa Hostel, B/H Raghuvir Chamber,Bakrol, Anand, Vallabh Vidhyanagar, Gujarat-388120

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Hitendra R. Shah	5000	50
Mrs. Aruna G. Shah	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr.Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

Year Ended March 31	2009	2008	2007
Total Income	0.02	0.21	NIL
Profit after tax (PAT)	NIL	-16.15	NIL
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	NIL	NIL	NIL
Net Worth	-15.33	-15.33	0.82
Earnings per share (EPS) (Rs.)	0.00	-161.50	NIL
Net Asset Value (NAV) per share (Rs.)	-153.30	-153.30	8.20

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

8. DEVRUSHI ARCADE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on June 3, 2008 vide Registration No. U45201GJ2008PTC054116 with the main object to carry on the business to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Bungalow 1,Devpriya Bungalow-II, Nr Anandnagar Char Rasta, Nr Agarwal Bungalows,Satellite,Ahmedabad-380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mrs. Pragna Thakkar	5000	50
Mrs. Naiya Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sunil Patel	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NA	NA
Profit after tax (PAT)	NIL	NA	NA
Equity Share Capital	1.00	NA	NA
Reserves (excluding revaluation reserve)	NIL	NA	NA
Net Worth	1.00	NA	NA
Earnings per share (EPS) (Rs.)	NIL	NA	NA
Net Asset Value (NAV) per share (Rs.)	NIL	NA	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

9. DEVRAJ ARCADE PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on September 4, 2009 vide Registration No.U45201GJ2009PTC057986 with the main object to carry on the business of construction and developers of houses, resorts and to prepare and deal in materials necessary for building and to carry on business as building contractors and to acquire land and plots for colonization or otherwise sell plots, construct for SEZ and industrial parks and buildings for sell and rent or both on installments or otherwise in India or elsewhere. To construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer, architectural engineer, consultant and manager of all types of constructions and developmental work etc

Registered Office

Devnanadan Palace,Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon,Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mr. Dipak Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr.Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

Financial Performance:

Since the Company is newly incorporated, there is no past financial performance that can be disclosed

10. DEVDIYA ARCADE PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on May 29, 2008 vide Registration No. U45201GJ2008PTC054084 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1, FP5/2, Near JP Farm, Ambli Bopal Road, Near Iscon, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	5000	50
Mr. Sanjay Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NA	NA
Profit after tax (PAT)	NIL	NA	NA
Equity Share Capital	1.00	NA	NA
Reserves (excluding revaluation reserve)	NIL	NA	NA
Net Worth	1.00	NA	NA
Earnings per share (EPS) (Rs.)	NIL	NA	NA
Net Asset Value (NAV) per share (Rs.)	10.00	NA	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

11. DEVDIYA BUILDERS PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on February 7, 2008 vide Registration No. U45201GJ2008PTC052840 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1, FP5/2, Near JP Farm, Ambli Bopal Road, Near Iscon, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
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Mr. Dipak Thakkar	5000	50
Mr.Sanjay Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr.Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA
Profit after tax (PAT)	NIL	-0.002	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	1.00	1.00	NA
Earnings per share (EPS) (Rs.)	NIL	-0.02	NA
Net Asset Value (NAV) per share (Rs.)	9.95	9.98	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

12. DEVDIYA REALITY PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on January 9, 2008 Registration No.

U45201GJ2008PTC052610 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace,Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon,Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	5000	50
Mr.Sanjay Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director
Mr Dharmendra Choksi	Director
Mrs. Vidulaben Choksi	Director
Mr. Arvind Choksi	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA

Profit after tax (PAT)	NIL	NIL	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	-4.57	0.92	NA
Earnings per share (EPS) (Rs.)	NIL	NIL	NA
Net Asset Value (NAV) per share (Rs.)	-45.66	9.24	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

13. DEVRAJ BUILDERS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on September 8, 2006 Registration No U45200GJ2006PTC049054 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon,Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mrs. Rita Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mrs. Ritaben Thakkar	Director

The financial highlights for the last 3 years are given below:

	(Rs. in lacs)		
Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NIL
Profit after tax (PAT)	NIL	0.019	-0.002
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	NIL	NIL	NIL
Net Worth	-16.72	-4.32	1.00
Earnings per share (EPS) (Rs.)	NIL	-0.19	-0.02
Net Asset Value (NAV) per share (Rs.)	-167.24	-43.16	9.98

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

14. DEVDIYA INFRASTRUCTURE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on February 19, 2008 with registration No U45201GJ2008PTC052968 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and developmental work etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon,Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	5000	50
Mr. Sanjay Thakkar	5000	50
Total	10000	100

Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA
Profit after tax (PAT)	NIL	-0.002	NA
Equity Share Capital	1.00	1.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	0.99	1.00	NA
Earnings per share (EPS) (Rs.)	NIL	0.02	NA
Net Asset Value (NAV) per share (Rs.)	9.94	9.99	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

15. DEVDIP BUILDERS PRIVATE LIMITED**Corporate Information**

The Company was incorporated under the Companies Act on May 20, 2005 vide Registration No U70101GJ2005PTC046121 with the main object to act as developers and agents of land , estate, property, industrial estate, resorts etc and to deal with purchase , sales , exchange and to improve such properties and to carry in India the business of construction and to act as builders and contractors and to erect , construct and maintain buildings, roads etc.

Registered Office

1,Devpriya Bunglow-II, Nr Seema Hall, Shyamal Char Rasta, Satellite,Ahmedabad-380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	5000	50
Mrs. Naiya Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mrs. Naiya Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	1.30	3.96	9.92
Profit after tax (PAT)	0.01	0.82	0.26
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	6.13	5.66	5.01
Net Worth	7.10	6.61	5.94
Earnings per share (EPS) (Rs.)	0.10	8.22	2.58
Net Asset Value (NAV) per share (Rs.)	71.05	66.10	59.36

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

16. FUN POINT RESORTS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on March 11, 1991 with Registration No U55101GJ1991PTC015183 with the main object to carry on the business of resorts and hotels etc.

Registered Office

Nr New High Court, Gandhinagar, Sola, Ahmedabad-380060

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakar	249998	99.9992
Mrs. Naiya Thakkar	1	0.0004
Mrs. Rita Thakkar	1	0.0004
Total	250000	100.0000

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Dipak Thakkar	Director
Rita Thakkar	Director
Naiya Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	109.48	136.10	175.05
Profit after tax (PAT)	6.12	48.07	11.51
Equity Share Capital	25.00	25.00	25.00
Reserves (excluding revaluation reserve)	250.76	250.83	250.85
Net Worth	175.49	169.44	121.40
Earnings per share (EPS) (Rs.)	2.45	19.23	4.61
Net Asset Value (NAV) per share (Rs.)	70.20	67.78	48.56

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

17. DEVDIP INFRASTRUCTURE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on August 23 2005 with registration no U45200GJ2005PTC046649 with the main object to construct, built, alter, acquire, convert, improve, design, erect and to act as civil engineer , architectural engineer, consultant and manager of all types of constructions and

developmental work and to carry in anywhere in the world the business of running hotel in all its aspects to run, manage, acquire, control, own the same including restaurant , cafe etc. and importers and dealers of aerated, minerals and artificial waters and other drinks , caterers for public amusements etc.

Registered Office

1, Devpriya -II, Shyamal Char Rasta, Satellite, Ahmedabad-380015

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	125000	25
Mr. Ajitkumar Thakkar	125000	25
Mrs. Naiya Thakkar	125000	25
Mrs. Pragna A Thakkar	125000	25
Total	500000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Ajitkumar Thakkar	Director
Mrs. Naiya Thakkar	Director
Mrs Pragna Thakkar	Director

The financial highlights for the last 3 years are given below:

	(Rs. in lacs)		
Year Ended March 31	2009	2008	2007
Total Income	103.53	96.77	53.37
Profit after tax (PAT)	2.65	-0.93	0.31
Equity Share Capital	50.00	50.00	50.00
Reserves (excluding revaluation reserve)	1.59	0.00	0.00
Net Worth	48.92	44.29	44.06
Earnings per share (EPS) (Rs.)	0.53	-0.19	0.06
Net Asset Value (NAV) per share (Rs.)	9.78	8.86	8.81

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

18. AADARSH INDUSTRIES AND INVESTMENTS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on July 11, 1972 vide Registration No. U65910GJ1972PTC002122 with the main object to construct and to develop any site or estate and to hold land and buildings and developments constituting the estate of the company for the use and occupation and enjoyment and benefits of the members , shareholders, or any other persons associated with the companies directly or indirectly and to give or allot or grant to them as allottee or any other manner the premises. to acquire by purchase , lease, exchange , hire or otherwise and to takeover or develop any building and conveniences of all kinds and by leasing , hiring, exchanging or disposing off the same and to manage land , building and other properties whether belonging to the company or not and to collect rents and incomes and to supply to tenants and occupiers etc.

Registered Office

C/O Dev Complex, Seth Mangaldas Road, Ellisbridge, Ahmedabad-380006

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
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Harshvadan Mangaldas Pvt. Ltd.	400	40.00
Sizing Material Chemicals & Electric Pvt. Ltd.	200	20.00
Mr. Sanjay Thakkar	70	7.00
Mrs. Ritaben Thakkar	70	7.00
Mrs. Kinjal Thakkar	70	7.00
Mr. Ajit Thakkar	70	7.00
Mrs. Pragna Thakkar	70	7.00
Mr. Hiralal Thakkar	50	5.00
Total	1000	100.00

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	-	-	-
Profit after tax (PAT)	-0.003	-0.032	-0.071
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	1.36	1.36	1.36
Net Worth	-0.05	-0.05	-0.02
Earnings per share (EPS) (Rs.)	-0.30	-3.17	-7.08
Net Asset Value (NAV) per share (Rs.)	-5.36	-5.06	-1.90

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.100/-.

19. SIZING MATERIALS CHEMICALS AND ELECTRONICS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on May 25, 1972 vide with Registration No. U24110GJ1972PTC002095 with the main object to construct and to develop any site or estate and to hold land and buildings and developments constituting the estate of the company for the use and occupation and enjoyment and benefits of the members, shareholders, or any other persons associated with the companies directly or indirectly and to give or allot or grant to them as allottee or any other manner the premises. to acquire by purchase, lease, exchange, hire or otherwise and to takeover or develop any building and conveniences of all kinds and by leasing, hiring, exchanging or disposing off the same and to manage land, building and other properties whether belonging to the company or not and to collect rents and incomes and to supply to tenants and occupiers etc.

Registered Office

Mangal Baug, Mangaldas Road, Ellisbridge, Ahmedabad 380006

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mrs. Shobhna K. Thakkar	750	16.45
Mr. Kailash D Thakkar	750	16.45
Mrs. Hiral M Thakkar	800	17.54
Mrs. Shilpa Thakkar	667	14.63
Mr. Amit Thakkar	883	19.36
Mrs. Hiral I Thakkar	650	14.25
Aadarsh Industries and Investments Private Limited	30	0.66

Hashvadan Mangaldas Private Limited	30	0.66
Total	4560	100.00

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	0.175
Profit after tax (PAT)	-0.003	-0.032	-0.007
Equity Share Capital	4.56	4.56	4.56
Reserves (excluding revaluation reserve)	3.15	3.15	3.19
Net Worth	7.71	7.71	7.75
Earnings per share (EPS) (Rs.)	-0.07	-0.69	-0.15
Net Asset Value (NAV) per share (Rs.)	169.12	169.12	169.87

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.100/-.

20 HARSHVADAN MANGALDAS INVESTMENTS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on May 24, 1972 vide Registration No. U65990GJ1972PTC002092 with the main object to construct and to develop any site or estate and to hold land and buildings and developments constituting the estate of the company for the use and occupation and enjoyment and benefits of the members, shareholders, or any other personas associated with the companies directly or indirectly and to give or allot or grant to them as allottee or any other manner the premises to acquire by purchase, lease, exchange, hire or otherwise and to takeover or develop any building and conveniences of all kinds and by leasing, hiring, exchanging or disposing off the same and to manage land, building and other properties whether belonging to the company or not and to collect rents and incomes and to supply to tenants and occupiers etc.

Registered Office

C/O Dev Complex, Seth Mangaldas Road, Ellisbridge, Ahmedabad-380006

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar HUF	70	7.0
Mrs. Manjula Suchdev	70	7.0
Mr. Rakesh Thakkar HUF	70	7.0
Mr. Dipak Thakkar	70	7.0
Mrs. Kiran Thakkar	50	5.0
Adarsh Industries	400	40.0
Sizing Material Chemical & Electric Private Limited	200	20.0
Mrs Sushilaben Thakkar	70	7.0
Total	1000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director

Mr. Dipak Thakkar	Director
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The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	-	-	-
Profit after tax (PAT)	-0.003	-0.07	-0.17
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	1.53	1.53	1.53
Net Worth	-0.70	-0.70	-0.64
Earnings per share (EPS) (Rs.)	-0.30	-6.70	-17.06
Net Asset Value (NAV) per share (Rs.)	-70.26	-69.96	-63.91

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.100/-.

21. DEVDIP MALLS DEVELOPERS PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on March 28 2007 with Registration No U45202GJ2007PTC050354 with the main object to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities etc.

Registered Office

Devnanadan Palace, Survey no 3/C/1,FP5/2,Near JP Farm, Ambli Bopal Road, Near Iscon,Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	1000	0.20
Mr. Sanjay Thakkar	4000	0.80
Dev Procon Limited (Previously known as Dev Arcade Pvt. Ltd.)	49000	9.80
Gaurishankar Investments Private Limited	250000	50.00
Ami Krupa Reality Pvt. Ltd.	196000	39.20
Total	500000	100.00

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Dipak Thakkar	Director
Mr. Sanjay Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	NIL	NIL	NA
Profit after tax (PAT)	NIL	-0.20	NA
Equity Share Capital	50.00	50.00	NA
Reserves (excluding revaluation reserve)	NIL	NIL	NA
Net Worth	-73.25	-155.75	NA
Earnings per share (EPS) (Rs.)	NIL	-0.04	NA
Net Asset Value (NAV) per share (Rs.)	-14.65	-31.15	NA

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

22. DEVSHAKTI ARCADE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on October 6, 2009 with Registration No U45201GJ2009PTC058239 with the main object to carry on the business as constructors and developers of houses, bungalows, row houses, farm houses and resorts etc

Registered Office

Devnanadan Palace, Survey no 3/C/1, FP5/2, Near JP Farm, Ambli Bopal Road, Near Iscon, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mr. Dipak Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Mr. Sanjay Thakkar	Director
Mr. Dipak Thakkar	Director

Financial Performance:

Since the Company is newly incorporated, there is no past financial performance that can be disclosed

23. DEVDIYA PROCON PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on February 5, 2010 with Registration No U45201GJ2010PTC059419 with the main object to carry on the business as constructors and developers of houses, bungalows, row houses, farm houses and resorts etc.

Registered Office

Dev House, Near Sankalp Restaurant, Near Rajpath Club, S.G. Highway, Ahmedabad 380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mr. Unmesh Shah	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Sanjay Thakkar	Director
Rita Thakkar	Additional Director

Financial Performance:

Since the Company is newly incorporated, there is no past financial performance that can be disclosed

24. MAHAVIR PROCON PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on January 11, 2010 with Registration No U45202GJ2010PTC059193 with the main object to carry on the business as constructors and developers of houses, bungalows, row houses, farm houses and resorts etc.

Registered Office

Dev House, Near Sankalp Restaurant, Near Rajpath Club, S.G. Highway, Ahmedabad 380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mr. Unmesh Shah	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Sanjay Thakkar	Director
Dipak Thakkar	Director

Financial Performance:

Since the Company is newly incorporated, there is no past financial performance that can be disclosed

25. DEVDIYA ORGANISER PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on March 31, 2010 with Registration No U45201GJ2010PTC060085 with the main object to carry on the business as constructors and developers of houses, bungalows, row houses, farm houses and resorts etc

Registered Office

Block No 3/C/1, FP-5/2, TPS-52, Devnandan Bungalow, Opp Swagat Bungalow, Ambli Gam, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Sanjay Thakkar	5000	50
Mr.Dipak Thakkar	5000	50
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Sanjay Thakkar	Director
Dipak Thakkar	Director

Financial Performance:

Since the Company is newly incorporated, there is no past financial performance that can be disclosed

27. DEV- NARANPURA ARCADE PRIVATE LIMITED

Corporate Information

The Company was incorporated under the Companies Act on August 14, 2006 with Registration No U45200GJ2006PTC048896 with the main object to carry on the business as constructors and developers of houses, bungalows, row houses, farm houses and resorts etc

Registered Office

Block No 3/C/1, FP-5/2,TPS-52, Devnandan Bunglow, Opp Swagat Bunglow, Ambli Gam, Ahmedabad-380058

Shareholding Pattern as on 31.03.2010

Particulars	No. of share	% shareholding
Mr. Dipak Thakkar	5000	50
Rakesh Thakkar	3900	39
Ajay P.Jakhodia	100	1
Hemendrabhai N.Mehta & Shreyaben H.Mehta	100	1
itendrakumar P.Shah & Janakkumar P.Shah	100	1
Kamleshbhai V.Dani & Ashaben Kamleshbhai Dani	100	1
Maheshbhai P.Suryavanshi	100	1
Meera Arjundas Anandani	200	1
Ritu M Patel	100	1
Ruchir S.Patel & Shital Ruchir Patel	200	1
Vinodbhai N Mehta & Minaben V. Mehta	100	1
Total	10000	100

Board of Directors

The following are the Board of Directors as on 31.03.2010

Name	Designation
Rakesh Thakkar	Director
Dipak Thakkar	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2009	2008	2007
Total Income	-	-	-
Profit after tax (PAT)	-7.04	-5.84	-4.65
Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	-	-	-
Net Worth	-6.12	-4.96	-3.81
Earnings per share (EPS) (Rs.)	-70.42	-58.40	-46.54
Net Asset Value (NAV) per share (Rs.)	-61.22	-49.60	-38.14

Source: Audited Financial Statements

Note: Face value of each equity share is Rs.10/-.

SOLE PROPRIETORSHIP CONCERNS

1. DEV PARTY PLOT

Main object	The Proprietorship Concern was formed to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up. establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities.
Address	Nr. Guj High Court / Funpoint Club, S. G Highway, SOLA, Ahmedabad. 380 060
Name of the proprietor	Mr. Sanjay Thakkar
Year of establishment	01/04/2007

The financials for the last 3 years are given below:

(Rs in lacs)			
Year Ended March 31	2009	2008	2007
Total Income/Sales	26.40	20.10	NA
Profit Before Tax (PBT)	5.96	8.55	NA
Proprietor's Capital Account	183.95	156.60	NA

Source: Income Tax Records

2. AVKAR GUEST HOUSE

Main object	The Proprietorship Concern was formed to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up. establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities.
Address	Devnandan Palace, Opp. J. P. Farm, Ambali- Bopal Road, Ahmedabad.
Name of the proprietor	Mr. Sanjay Thakkar
Year of establishment	01/04/1990

The financials for the last 3 years are given below:

(Rs in lacs)			
Year Ended March 31	2009	2008	2007
Total Income/Sales	12.47	20.04	18.77
Profit Before Tax (PBT)	3.89	8.84	5.19
Proprietor's Capital Account	2.46	36.85	13.07

Source: Income Tax Records.

3. ARCHAN BUILDERS

Main object	The Proprietorship Concern was formed to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up. establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities.
Address	Devnandan Palace, Opp. J. P. Farm, Ambali- Bopal Road, Ahmedabad.
Name of the proprietor	Mr. Sanjay Thakkar
Year of establishment	01/04/2004

The financials for the last 3 years are given below:

(Rs in lacs)			
Year Ended March 31	2009	2008	2007
Total Income/Sales	9.86	0.95	9.78
Profit Before Tax (PBT)	9.66	0.76	8.45
Proprietor's Capital Account	298.89	327.94	277.44

Source: Income Tax Records.

4. NANDAN BUILDERS

Main object	The Proprietorship Concern was formed to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities.
Address	Devnandan Palace, Opp. J. P. Farm, Ambali- Bopal Road, Ahmedabad.
Name of the proprietor	Mr. Sanjay Thakkar
Year of establishment	01/04/2004

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2009	2008	2007
Total Income/Sales	162.42	41.32	766.45
Profit Before Tax (PBT)	12.63	29.74	39.36
Proprietor's Capital Account	103.66	150.49	123.61

Source: Income Tax Records.

5. DHARMANANDAN BUILDERS

Main object	The Proprietorship Concern was formed to carry on the business as developers of land, buildings, immovable and of real estate (commercial, retail and residential), set up, establish, own, run, maintain, manage and operate the business in India or Outside of markets and mall and other commercial facilities.
Address	Devnandan Palace, Opp. J. P. Farm, Ambali- Bopal Road, Ahmedabad.
Name of the proprietor	Mr. Sanjay Thakkar
Year of establishment	01/04/1998

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2009	2008	2007
Total Income/Sales	0.00	0.00	0.00
Profit Before Tax (PBT)	-0.01	0.00	0.00
Proprietor's Capital Account	-102.51	-102.30	-102.31

Source: Income Tax Records.

Notes:

For the calculation of Earnings Per Share and Net Asset Value Per Share, number of equity shares outstanding at the end of the year has been considered.

HINDU UNDIVIDED FAMILIES:

1. SANJAY THAKKAR HUF

Sanjay Thakkar HUF is a hindu undivided family, represented by its karta Mr. Sanjay Thakkar.

The financials for the last 3 years are given below:

(Rs. in Lacs)

	2009	2008	2007
Total Income	1.20	0.96	0.96
Capital Account	132.23	131.03	127.83
Interest/Rent Income	1.20	0.96	0.96
Net Surplus	1.20	0.96	0.96

2. DIPAK THAKKAR HUF

Dipak Thakkar HUF is a hindu undivided family, represented by its karta Mr. Dipak Thakkar.

There is no business / income / loss or any other transaction in Dipak Thakkar HUF. Therefore no Profit/Loss Account and Balance sheet prepared by the said HUF since its incorporation.

None of our Group Companies is a sick company within the meaning of Sick Industrial Companies (Special Provision) Act, 1985 or under winding up nor have any BIFR proceedings initiated against it.

The group Companies don't have any litigation except those stated in the section "Outstanding Litigations and Material Developments." of Draft Red Herring Prospectus on page no 205.

None of the Promoter Group companies has been struck off as a defunct company by any Registrar of Companies in India and no application was made to the Registrar of Companies for striking off the name of any of the group company during the five years preceding the date of filing draft red herring prospectus with the Board.

None of our Group Companies, Subsidiaries and Associate Companies has any business interest in our Company

Most of our group Companies and associate Companies are involved in same business line of developing real estate and construction projects but not interested in our company as for each new project special purpose vehicle company has been incorporated.

None of our group company had related business transaction with our company which had significance on the financial performance of our Company except otherwise stated in "Related Party Transaction" on page no.127.

None of our group, subsidiaries and associate companies had sale or purchase with our Company exceeding in the value in the aggregate ten percent of the total sales or purchase. For more details see section "Related Party Transaction" on page no. 127.

Details of the disassociation of our promoters from the companies / firms during the last three years are as follow:

Details of the disassociation of our promoters from the companies / firms / Proprietorship during the last three years are as follow:

- Mr. Sanjay H Thakkar - He has not been disassociated from companies / firms / Proprietorship during the last three years preceding the date of filing the DRHP except as mentioned below:

Sr No.	Name of Company / Firm	Designation	Year	Reason
1.	Ami Krupa Empire Properties Pvt. Ltd.	Director	2008-09	Resigned from the Board w e f 29.09.2008
2.	Devansh Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern
3.	Devpreet Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern
4.	Dev Priya Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern
5.	Miloni Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern

- Mr. Dipak A Thakkar - He has not been disassociated from companies / firms / Proprietorship during the last three years preceding the date of filing the DRHP except as mentioned below:

Sr No.	Name of Company / Firm	Designation	Year	Reason
1.	Vihar Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship

				Concern
2.	Dev Deep Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern
3.	Farm Builders	Proprietor	2006-07	Winding Up of Sole Proprietorship Concern
4.	Dev Enterprise	Partnership	2006-07	Winding Up of Partnership Concern

RELATED PARTY TRANSACTIONS

For details on our related party transactions, please refer to the section titled .Financial Information of the Company. on page no 139 & 166 of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India.

DIVIDEND POLICY

The declaration and payment of dividends on our equity shares will be recommended by our board of directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. However our Company has not paid any dividend till date.

SECTION V - FINANCIAL INFORMATION

FINANCIAL INFORMATION OF THE COMPANY

FINANCIAL STATEMENTS

AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Dev Procon Limited
Dev House, Beside Rajpath Club,
Nr. Sankalp Restaurant,
S. G. Highway Road, Ahmedabad.

Dear Sirs,

We have examined the Restated Standalone Summary financial Statements and Other Financial Information of DEV PROCON LIMITED (formerly known as DEV ARCADE PRIVATE LIMITED upto 4th January 2010 and DEV PROCON PRIVATE LIMITED upto 31st March 2010 (the 'Company') for each of the five financial years ended March 31, 2006, 2007, 2008, 2009 & 2010 annexed to this report and initiated by us for identification. The said Restated Summary Statements and Other Financial Information have been prepared for the purposes of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document) in connection with the proposed Initial Public Offer ("IPO") of the Company 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 and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by the Securities and Exchange Board of India ('SEBI'); and
- iii) The terms of our letter of engagement dated 16th April 2010 with the Company requesting us to carry out work in connection with the proposed IPO.

The Restated Standalone Summary financial Statements and Other Financial Information have been approved by the Board of Directors of the Company.

A. Restated Summary Financial Statements:

1. We have examined the attached 'Standalone Summary financial Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2006, 2007, 2008, 2009 & 2010 **and** the attached 'Standalone Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Standalone Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2006, 2007, 2008, 2009 & 2010 (Annexure I, II and III are collectively referred to in this report as the "Restated Standalone Summary financial Statements").
2. The Restated Standalone Summary financial Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies and Notes to the Standalone Statements' (Annexure IV).
3. Based on our examination of the Restated Standalone Summary financial Statements, we confirm that:
 - i. These Restated Standalone Summary financial Statements of company have been restated with retrospective effect to reflect the significant accounting policies being adopted by company as on 31st March, 2010 as given in annexure IV to this report.
 - ii. Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
 - iii. The extraordinary items that need to be disclosed separately in the Restated Standalone Summary financial Statements have been disclosed separately;
 - iv. There are no qualifications in auditor's reports or incorrect accounting policies that require Adjustment in the Restated Standalone Summary financial Statements.
4. Summary of significant accounting policies adopted by the Company and material adjustments carried out in the preparation of the Restated Standalone Summary financial Statements and the significant notes to thereto be enclosed as Annexure IV to this report.

B. Other Financial Information

5. We have also examined the following financial information (“Other Financial Information”) in respect of the Company as at and for the years ended March 31, 2006, 2007, 2008, 2009 & 2010 included in the offer document, as approved by the Board of Directors and annexed to this report:

Standalone Statement of Fixed assets, As restated	Annexure V
Standalone Statement of Investment, As restated	Annexure VI
Standalone Statement of Inventories, As restated	Annexure VII
Standalone Statement of Loans and Advances, As restated	Annexure VIII
Standalone Statement of Dividend Paid, As restated	Annexure IX
Standalone Statement of Share capital, As restated	Annexure X
Standalone Statement of Reserves and Surplus, As restated	Annexure XI
Standalone Statement of Secured Loans, As restated	Annexure XII
Standalone Statement of Unsecured Loans, As restated	Annexure XIII
Standalone Statement of Current Liabilities & Provisions, As Restated	Annexure XIV
Standalone Statement of Employee Cost, As restated	Annexure XV
Standalone Statement of Administrative and other Expenses, As restated	Annexure XVI
Standalone Statement of Selling & Distribution Expenses, As restated	Annexure XVII
Standalone Statement of Interest and finance charges, As restated	Annexure XVIII
Standalone Statement of Real Estate Development, Contract & Other Operating Revenue, As Restated	Annexure XIX
Standalone Statement of Other Income, As restated	Annexure XX
Standalone Statement of Deferred Tax assets and liabilities	Annexure XXI
Standalone Statement of Accounting Ratios, As restated	Annexure XXII
Standalone Statement of Tax Shelter, As Restated	Annexure XXIII
Standalone Statement of Capitalization, As restated	Annexure XXIV

6. In our opinion, the Restated Standalone Summary financial Statements and the other Financial Information set forth in Annexure I to XXIX read with the significant accounting policies and notes to the Restated Standalone Summary financial Statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.
7. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company’s proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

As per our report attached

For Nautam R Vakil

Chartered Accountants

Manan Vakil

(Partner)

Membership No. : 102443

Firm ICAI Registration No : 106980W

Place : Ahmedabad

Date : 22nd June, 2010

Summary Standalone Statement Of Assets And Liabilities, As Restated

ANNEXURE I

(Rs. In Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
<u>A) FIXED ASSETS</u>					
Gross Block	464.43	441.76	259.04	182.04	0.08
Less : Depreciation	64.13	63.86	35.03	9.87	0.01
Add : Capital Work In Progress	0.00	0.00	0.00	0.00	0.00
Net Block	400.30	377.90	224.01	172.17	0.07
<u>(B) INVESTMENTS</u>	458.14	24.50	24.50	100.00	0.00
<u>(C) DEFERRED TAX ASSETS</u>	10.03	6.47	2.80	0.27	0.00
<u>(D) CURRENT ASSETS & LOANS & ADVANCES</u>					
Inventories	5215.31	4135.51	2837.37	151.32	0.00
Sundry Debtors	0.00	0.00	0.00	0.00	0.00
Cash & Bank Balance	21.25	42.49	127.14	3.86	13.23
Loan & Advances	16852.28	13789.06	7983.27	4515.73	616.72
Gross Current Assets	22088.83	17967.07	10947.77	4670.92	629.95
Total Assets	22957.32	18375.94	11199.09	4943.36	630.02
<u>Liabilities and Provisions</u>					
Secured Loan	6242.57	7253.90	3628.35	1027.74	0.00
Unsecured Loan	5300.13	7699.11	3732.82	2250.52	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00	0.01
<u>CURRENT LIABILITIES AND PROVISIONS</u>					
a) Current Liabilities	3712.32	1922.68	2503.19	1137.70	111.50
b) Provision	117.39	92.03	93.20	15.67	8.67
Total Current Liabilities	3829.71	2014.71	2596.40	1153.37	120.17
Sub Total (A)	15372.42	16967.72	9957.57	4431.63	120.18
Net Worth Represented by: Shareholders Funds:					
Share Capital	1750.00	1100.00	1100.00	500.00	500.00
Share Application Money	0.00	0.00	0.00	0.00	0.00
Reserves and Surplus	5903.44	350.95	175.97	13.93	12.77
	7653.44	1450.95	1275.97	513.93	512.77
Less: Miscellaneous Expenses	68.54	42.74	34.45	2.20	2.92
Tangible Net Worth (B)	7584.90	1408.22	1241.52	511.72	509.85
Total Liabilities (A+B)	22957.32	18375.94	11199.09	4943.36	630.02

Note:-

The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.

Summary of Standalone Statement Of Profits And Losses, As Restated

ANNEXURE II

(Rs. In Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
<u>Income</u>					
Real Estate Dev., Contract & Other Operating Rev.	542.63	388.27	550.23	216.89	30.25
Increase / (Decrease) in Inventories	1079.79	1298.15	2686.04	151.32	0.00
Other Income (Recurring)	0.25	0.00	0.69	0.00	0.00
Other Income (Non-recurring)	0.00	0.00	0.04	0.00	0.00
Total	1622.67	1686.42	3237.00	368.21	30.25
<u>Expenditure</u>					
Cost of construction /Development	1005.37	1298.15	2686.04	151.32	0.00
Staff Costs	80.64	80.72	52.01	30.00	0.03
Administration expenses	205.81	38.75	168.24	22.79	8.06
Selling & Distribution expenses	4.05	4.21	58.47	137.56	0.00
Deffered Revenue Expenses written off	1.34	1.34	1.34	0.73	0.73
Total	1297.22	1423.17	2966.11	342.40	8.82
Profit/(loss) before Interest depreciation and taxes	325.45	263.25	270.89	25.81	21.43
Interest and finance charges	11.79	0.00	25.31	11.97	0.15
Depreciation	24.73	28.83	25.16	9.86	0.01
Profit before taxes	288.92	234.41	220.42	3.98	21.28
Restated Provision for taxes					
- Current Income Tax	90.00	61.31	58.10	2.07	8.49
- Deferred Income Tax	(3.56)	(3.67)	(2.54)	(0.27)	0.01
- Fringe Benefit Tax	0.00	1.79	2.81	1.02	0.01
- Effect of adjustments on tax	0.00	0.00	0.00	0.00	0.00
	86.44	59.43	58.37	2.82	8.51
Profit/(loss) after tax but before extraordinary items	202.49	174.98	162.05	1.16	12.77
Less: Goodwill written off	0.00	0.00	0.00	0.00	0.00
Restated Profit/(loss) after tax	202.49	174.98	162.05	1.16	12.77
Balance brought forward from previous year	350.95	175.97	13.93	12.77	0.00
Balance available for appropriation, as restated	553.44	350.95	175.97	13.93	12.77
<u>Appropriations</u>					
- Bonus Share	(275.00)	0.00	0.00	0.00	0.00
Total Balance Carried to Balance Sheet	278.44	350.95	175.97	13.93	12.77

Note:-The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.

(Rs. in Lacs)

	Particulars	AS On 31.03.10	AS On 31.03.09	AS On 31.03.08	AS On 31.03.07	AS On 31.03.06
A	<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>					
	Profit / (Loss) before tax,as restated	288.92	234.41	220.42	3.98	21.28
	Adjustments For :					
	Depreciation / Amortisation	24.73	28.83	25.16	9.86	0.01
	Misc. Exp. w/off	1.34	1.34	1.34	0.73	0.73
	Misc. Exp. Incurred	(27.14)	(9.63)	(33.59)	(0.01)	(3.65)
	Appropriation - Bonus share	(275.00)	0.00	0.00	0.00	0.00
	Operating profit / (Loss) before working capital changes	12.85	254.96	213.33	14.56	18.36
	Adjustments For :					
	- (INCREASE)/DECREASE in Inventories	(1079.79)	(1298.15)	(2686.04)	(151.32)	0.00
	- (INCREASE)/DECREASE in Sundry Debtors	0.00	0.00	0.00	0.00	0.00
	- (INCREASE)/DECREASE in Loans & Advances	(3063.22)	(5805.79)	(3467.54)	(3899.01)	(616.72)
	- INCREASE/(DECREASE) in Current Liabilities	1789.64	(580.51)	1365.49	1026.20	111.50
	- INCREASE/(DECREASE) in Provision	25.36	(1.18)	77.53	7.00	8.67
	Cash (used in) / generated from operations	(2315.15)	(7430.67)	(4497.22)	(3002.57)	(478.19)
	- Taxes (Paid) / Received (Net of TDS)	(90.00)	(63.10)	(60.91)	(3.10)	(8.50)
	Net cash (used in) / generated from operating activities - (A)	(2405.15)	(7493.77)	(4558.13)	(3005.67)	(486.69)
B	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>					
	(Increase) in Fixed Assets	(63.50)	(307.23)	(77.01)	(181.96)	(0.08)
	Decrease in Fixed Assets	16.36	124.51	0.00	0.00	0.00
	Increase / (Decrease) Capital Work In Progress	0.00	0.00	0.00	0.00	0.00
	purchase of Investment	(433.64)	0.00	75.50	(100.00)	0.00
	Net cash (used in)/ generated from investing activities - (B)	(480.78)	(182.72)	(1.51)	(281.96)	(0.08)
C	<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>					
	Proceeds form fresh issue of Share Capital	650.00	0.00	600.00	0.00	500.00
	Share Premium	5625.00	0.00	0.00	0.00	0.00
	Increase / (Decrease) Secured Loans	(1011.32)	3625.55	2600.61	1027.74	0.00
	Increase / (Decrease) Unsecured Loans	(2398.98)	3966.29	1482.30	2250.52	0.00
	Net Cash generated from/ (used in) Financing activities - (C)	2864.69	7591.84	4682.91	3278.26	500.00
D	Net increase / (Decrease) in cash and cash equivalent (A+B+C)	(21.24)	(84.64)	123.27	(9.37)	13.23
	Cash & cash equivalents at the beginning of the period	42.49	127.14	3.86	13.23	0.00
	Cash & cash equivalents at the end of the period	21.25	42.49	127.14	3.86	13.23

Note:-

1. The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.
2. The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard – 3 on Cash Flow Statement of the Companies (Accounting Standard) Rules, 2006.
3. Negative figures represent cash outflow.
4. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
5. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Notes to the Restated Standalone Summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP, for DEV PROCON LIMITED **ANNEXURE IV**

1. Background

Dev Procon Limited ('Company' or 'DPL') (formerly Dev Procon Private Limited) was incorporated on June 06, 2005. DPL is a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities.

As the Company was incorporated on June 06, 2005, the first financial statements of the Company is for the period from June 06, 2005 to March 31, 2006.

At the extra-ordinary general meeting of the shareholders held on March 10, 2010, the shareholders approved the conversion of the Company from a private limited company to a public limited company. The Company has received a fresh certificate of incorporation from the Registrar of Companies on March 31, 2010.

The restated standalone summary statement of assets and liabilities of the Company as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, and March 31, 2006 and the related restated standalone summary statement of profits and losses and cash flows for the year ended March 31, 2010, year ended March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 (hereinafter collectively referred to as "Restated Standalone Summary Statements") relate to Dev Procon Limited ("the Company") and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

These Restated Standalone Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations").

2. Statement of Significant Accounting Policies adopted by the company in the preparation of financial statements as at and for the year ended March 31, 2010 .

I. Basis of Preparation

The Financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and in compliance with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956, as adopted consistently by management. All the income & expenditure having material impact on financial statements are recognized on accrual basis.

Preoperative expenses are written off over the period of five years beginning from the year of execution of sale documents.

II. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future years.

III. Fixed assets including intangible assets

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

IV. Depreciation / Amortisation

Depreciation on Fixed Assets is provided on written down value Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs. Depreciation on Assets acquired / disposed off during the year is provided on prorate basis with reference to the date of addition/ disposal.

V. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

VI. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

VII. Inventories

Inventories comprising of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct and indirect expenditure, which is determined based on specific identification to the construction activity. Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account.

The inventory is valued at lower of the cost and net realizable value. Cost formula used by the assessee is FIFO. The construction work ongoing is shown as Construction work in progress as certified by the civil valuer regarding the cost and progress of the project.

Interest paid on term loan obtained for the Project is transferred to the construction work in progress as being the capital cost not charged to revenue.

VIII. Revenue Recognition

Revenue from Real Estate Development & Sale of property is recognised when significant risk related to real estate is transferred to the buyer and/or no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales. The amount received from customers which does not qualify for revenue recognition is accounted for as current liabilities under the head advance from customer.

Income from contractual activities

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing has been reflected under “Other Current Assets” and billing in excess of contract revenue has been reflected under “Current Liabilities” in the balance sheet.

Income from sale of development rights

Revenue from sale of development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from sale of developed property

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from property development

Revenue from real estate under development/ sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognized in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rent Income :

The company is earning the rent as per the agreement entered into.

IX. Cost of Development

Development costs are charged to the profit and loss account in proportion with revenue recognized during the period.

X. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are

recognized as an expense in the year in which they are incurred. Interest paid against Project loan for the fund utilized on the particular project is capitalized and shown as construction work in progress.

XI. Retirement and other employee benefits

A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short term compensated absences are provided for based on estimates.

XII. Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Further, in situations where the Group is entitled to tax holiday, deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period, but reverse after the tax holiday period.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XIII. Advances/deposits against property

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognized as 'Advances against property' under Loans and Advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to Work in progress.

Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as deposits under Loans and Advances, unless they are non-refundable, wherein they are transferred to Work in progress on the launch of project.

XIV. Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

XV. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XVI. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

XVII. Segment Reporting

The Company is engaged in the business of real estate development in India. Since, the Company's business activity primarily falls within a single business and geographical segment, no further disclosures are required, other than those already given in the financial statements.

3. Related Party Information**a) List of Related parties**

For 2009-10	For 2008-09	For 2007-08	For 2006-07	For 2005-06
Key managerial personnel:				
Sanjay Hiralal Thakkar	Sanjay Hiralal Thakkar	Sanjay Hiralal Thakkar	Sanjay Hiralal Thakkar	Sanjay Hiralal Thakkar
Dipak Ajitkumar Thakkar	Dipak Ajitkumar Thakkar	Dipak Ajitkumar Thakkar	Dipak Ajitkumar Thakkar	Dipak Ajitkumar Thakkar
Subsidiary companies				
Devfun Point Reality Private Limited.				
Devpriya Infrastructure Private Limited				
Devdip Arcade Private Limited				
Dhamal Estate Private Limited				
Associate company				
	Devdip Malls Developers Private Limited	Devdip Malls Developers Private Limited		
Enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise				
Amikrupa Reality Private Limited				
	Dev Priya Infrastructure Private Limited			
		Dev Dip Builders Private Limited		

For 2009-10	For 2008-09	For 2007-08	For 2006-07	For 2005-06
Devdip Malls Developers Private Limited				
Ritaben Thakkar				
Swaminarayan Traders	Swaminarayan Traders	Swaminarayan Traders	Swaminarayan Traders	
Dev Diya Reality Private Limited	Dev Diya Reality Private Limited	Dev Diya Reality Private Limited		
Devdiya Arcade Private Limited				
Dev rushi reality Private Limited				
Dev Shakti Reality Private Limited				
Dev Bhumi Arcade Private Limited				
Dev Rushi Arcade Private Limited				
	Relic Property Development			
Devraj Builders Private Limited				
Devdip Malls Developers Private Limited				
Dev Diya Builders Private Limited				

b) Transactions with Related parties

(Rs. In Lacs)					
Particulars	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
<u>Loans & Advances Given /(repaid)</u>					
Amikrupa Reality Private Limited	19.60				
Dev Priya Infrastructure Private Limited	351.00	2.00			
Dev Dip Builders Private Limited			100.00		
Devdip Malls Developers Private Limited	3181.73	344.09	125.66		
Sanjay Thakkar	2332.50				
Ritaben Thakkar	1731.32				
Swaminarayan Traders	(2353.94)	1716.59	1562.52	(44.23)	
Devdiya Reality Private Limited	110.00				
<u>Unsecured loan (taken) / repaid</u>					
Sanjay H Thakkar	3443.52	(2447.85)	(1372.74)	(2238.91)	
Dipak A Thakkar	127.62	(60.75)	(66.92)	(10.62)	
Dev Diya Reality Private Limited	(649.98)	(303.01)	150.07		
Dev Diya Arcade Private Limited	(280.67)				
Dev rushi reality Private Limited	(282.83)				
Dev Shakti Reality Private Limited	(279.16)				
Dev Bhumi Arcade Private Limited	(281.33)				
Dev Rushi Arcade Private Limited	(278.89)				
Relic Property Development		(291.00)			
Devraj Builders Private Limited	(260.89)				
Devdip Malls Developers Private Limited	(57.93)				
Dev Diya Builders Private Limited	(280.68)				
Ritaben Thakkar	(0.50)				

<u>Remuneration to Directors</u>					
Sanjay Thakkar		10.00	15.00	15.00	
Dipak Thakkar		15.00	25.00	15.00	

4. **NOTES TO RESTATED SUMMARY STATEMENTS**

- The Company's operations predominantly consist of real estate development and construction/project activities. Hence there are no reportable segments under Accounting Standard - 17. During these years under report, the Company has engaged in its business only within India and not in any other Country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.
- **Events occurring after Balance Sheet dates**
No significant events which could affect the financial position, to a material extent have been reported by the assessee, after the balance sheet date till the signing
- In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities are adequate and not in the excess of the amount reasonably necessary.
- Work-in-progress have been taken as verified, valued and certified by the management and as informed, it is taken on the basis of cost price.
- In view of Accounting Standard required by AS-28 .Impairment of Asset. issued by ICAI, the company has reviewed its fixed asset and does not expect any loss, on account of impairment in addition to the provision already made in the books.
- There are no Micro and Small enterprises, to which the company owes dues, which are outstanding for more than 45 days. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- Statement of Impact on Profit & Loss due to restatements/adjustments made to Audited Financial Statements & Notes on Adjustments made in restated accounts.

(Rs. in lacs)

Particulars	AS on 31.03.10	AS On 31.03.09	AS On 31.03.08	AS On 31.03.07	AS On 31.03.06
Profit As per Audited P&L Account	202.49	234.47	217.04	(11.23)	14.15
<u>Add/ Less : Adjustment :</u>					
1) (Increase) / Decrease in Provision of Income Tax		(61.31)	(57.53)	7.67	(1.49)
2) Deferred Tax		3.67	2.54	0.27	(0.01)
3) Salary Expanses		(0.06)			
4) (Increase) / Decrease in Provision Fringe Benefit Tax		(1.79)			0.12
5) Decrease in FBT Expanses Debited to P&L Account				0.02	
6) Decrease in Income Tax Expanses Debited to P&L Account				1.49	
7) Income tax Refund Receivable Credited P&L Account				2.93	
Subtotal of Adjustments		(59.49)	(54.99)	12.38	(1.38)
Net Profit / (Loss) after tax as per Restated P & L A/c.	202.49	174.98	162.05	1.16	12.77

1. **Notes on adjustments made in restated accounts:**

- a) In Financial year 2005-06, there is short provision of Rs.1.49 Lacs for Income Tax Expense which has been provided and there is excess provision of FBT Expenses by Rs. 0.12 Lacs which has been added to Profit.
- b) In Financial year 2006-07, there is short provision of Rs.7.67 Lacs for Income Tax Expense which has been provided in P&L Account. In Addition to this there is FBT Expenses of Rs.0.02 Lacs and Income Tax Expenses of Rs.1.49 Lacs which has been debited to Administration Expenses in addition to provision of respective Expenses and so this expenses has been added to profit. There is Income tax Refund Receivable of Rs.2.93 Lacs for the same year which has been added to profit.
- c) In Financial year 2007-08, there is short provision of Rs.57.53 Lacs for Income Tax Expense which has been provided in P&L Account.
- d) In Financial year 2008-09, there is short provision of Rs.61.10 Lacs for income tax expenses which has been provided in P&L Account and there is also short provision of FBT Expenses by Rs. 1.79 Lacs which has been provided in P&L Account. Salary of Rs. 0.06 Lacs paid to the employee out of the imprest account was not accounted is considered for the restatements and debited to P&L Account.
- e) Provision of Deferred Tax Assets & Deferred Tax Liabilities has been in financial year 2008-09, 2007-08, 2006-07 & 2005-06.

2. **Regrouping/ Reclassification**

- i. Shortfall/ Excess provision for tax shown as prior period items in audited accounts has been adjusted in the respective years in restated accounts.

3. **Tax Impact of Adjustments**

There is no major impact on taxes on account of restatement of profitability and as such no such adjustments are made in Re-stated statement.

5. **Deferred tax**

The breakup of net (deferred tax asset)/liability is as follows

Particulars	(Rs. in lacs)				
	For the Year Ended				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Opening Deferred Tax Liabilities / (Assets)	(6.47)	(2.80)	(0.27)	0.01	0.00
Add/(Less) : Deferred Tax Liabilities/(Assets) due to temporary difference	(3.56)	(3.67)	(2.54)	(0.27)	0.01
Closing Deferred Tax Liabilities / (Assets)	(10.03)	(6.47)	(2.80)	(0.27)	0.01

Particulars	(Rs. in lacs)				
	For the Year Ended				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Depreciation As per Income Tax	14.14	17.94	19.97	9.05	0.02
Depreciation As per Companies Act	24.73	28.83	25.16	9.86	0.01
Difference Between Depreciation	(10.59)	(10.89)	(5.19)	(0.81)	0.02
Other Differences :					
Unpaid Service Tax			(2.22)		

Unpaid Prof. Tax			(0.03)		
TDS U/s 40(a)(ia)			(0.08)		
Subtotal of Other Differences :	0.00	0.00	(2.34)	0.00	0.00
Time Difference	(10.59)	(10.89)	(7.53)	(0.81)	0.02
Tax Rate	33.66%	33.66%	33.66%	33.66%	33.66%
Balance of (DTA)/DTL	(3.56)	(3.67)	(2.54)	(0.27)	0.01

6. Contingent Liabilities

1. Dev Procon Limited (Formally known as Dev Arcade Private Limited) has given financial Guarantee of Rs.57.50 Crores for Devdip Malls Developers Private Limited in year July 2007 to Central Bank of India for term loan.
2. Dev Procon Limited (Formally known as Dev Arcade Private Limited) has given financial Guarantee of Rs.15 Crores for Devfun Point Reality Private Limited in Mar 2010 to Central Bank of India for term loan.
3. The Infinity Retail Limited has filed the claim of Rs.22 Crores against Dev Procon Limited (Formally know as Dev Arcade Private Limited) before Arbitrator (Retd. Justice Mr. C.K. Thakkar of Supreme Court of India). Dev Procon Limited has filed detailed reply on this claim. However the said matter is pending before arbitral Tribunal.

Standalone Statement of Fixed assets, As restated

Annexure V

(Rs. In Lacs)

Particulars	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
<u>Land</u>					
Gross Block	294.73	288.41	115.39	115.39	
Less: Accumulated Depreciation					
Net Block	294.73	288.41	115.39	115.39	
<u>Computer</u>					
Gross Block	0.16	0.16	0.99		
Less: Accumulated Depreciation	0.06				
Net Block	0.10	0.16	0.99		
<u>Printer</u>					
Gross Block	0.69	0.55	0.08	0.08	0.08
Less: Accumulated Depreciation	0.24	0.03	0.02	0.01	0.01
Net Block	0.44	0.52	0.05	0.06	0.07
<u>Furniture</u>					
Gross Block	3.84				
Less: Accumulated Depreciation	0.50				
Net Block	3.34				
<u>Vehicles</u>					
Gross Block	162.12	149.75	141.55	66.57	
Less: Accumulated Depreciation	62.58	63.43	34.96	9.85	
Net Block	99.55	86.32	106.59	56.72	

Office Equipments					
Gross Block	2.89	2.89	1.04		
Less: Accumulated Depreciation	0.75	0.40	0.05		
Net Block	2.15	2.49	0.99		
Total					
Gross Block	464.43	441.76	259.04	182.04	0.08
Less: Accumulated Depreciation	64.13	63.86	35.03	9.87	0.01
Net Block	400.30	377.90	224.01	172.17	0.07

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Investment, As restated

Annexure VI

(Rs. In Lacs)					
Particulars	AS on 31.03.10	AS On 31.03.09	AS On 31.03.08	AS On 31.03.07	AS On 31.03.06
A) Investment in Subsidiary Companies					
In Unquoted Equity Shares					
Equity Share of Devpriya Infrastructure Private Ltd.	1.00				
Equity Share of Devdip Arcade Private Ltd.	1.00				
Equity Share of Dhamal Estate Private Ltd.	1.00				
Equity Share of Dev Funpoint Reality Private Ltd.	450.00				
Subtotal (A)	453.00				
B) Investment in Group / Other Companies					
In Unquoted Equity Shares					
Equity Share of Devdip Malls Private Ltd.	4.90	24.50	24.50		
Megha Multi Dymension Private Ltd.	0.25				
Subtotal (B)	5.15	24.50	24.50		
C) Others					
Fixed Deposits				100.00	
Subtotal (C)				100.00	
TOTAL (A+B+C)	458.14	24.50	24.50	100.00	

Standalone Statement of Inventories, As restated

Annexure VII

(Rs. in lacs)					
Particulars	AS on 31.03.10	AS On 31.03.09	AS On 31.03.08	AS On 31.03.07	AS On 31.03.06
a) Stock of Work-in-progress & Raw Materials	5194.31	4135.51	2837.37	151.32	0.00
b) Stock of Raw Materials	21.00	0.00	0.00	0.00	0.00
Total	5215.31	4135.51	2837.37	151.32	0.00

Standalone Statement of Loans and Advances, As restated**Annexure VIII****(Rs. in lacs)**

Particulars	AS on 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
LOANS AND ADVANCES (Unsecured Considered as Good)					
- Associate & Group Companies	14143.50	7833.64	4688.93	4340.94	616.62
- To Suppliers / Others	2671.69	5868.14	3241.42	169.66	0.10
- Advance Income Tax & TDS	31.00	50.41	49.86	2.07	
- Other Advances	6.09	36.87	3.06	3.06	
Total	16852.28	13789.06	7983.27	4515.73	616.72

Note :

The loans and advances given to subsidiaries / associates are repayable on demand.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Dividend Paid, As restated**Annexure IX****(Rs. in lacs)**

Particulars	For the year ended				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Face Value of Equity Shares (Rs. Per Share)	10	10	10	10	10
Interim Dividend on Equity Shares	--	--	--	--	--
Final Dividend on Equity Shares	--	--	--	--	--
Total Dividend on Equity Shares	--	--	--	--	--
Dividend Rate	--	--	--	--	--
Dividend Tax	--	--	--	--	--

Note:

No dividend is paid by the Company during the above mentioned Years/Period.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Share capital, As restated**Annexure X****(Rs. in lacs)**

Particulars	For the year ended				
	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
AUTHORISED					
5,00,00,000 Equity Shares of Rs. 10/- each	5000.00	1100.00	1100.00	500.00	500.00
ISSUED, SUBSCRIBED AND PAID UP					
1,75,00,000 Equity Shares of Rs.10/- each fully paid up	1750.00	1100.00	1100.00	500.00	500.00
Total	1750.00	1100.00	1100.00	500.00	500.00

Notes:

- The initial authorised share capital of the Company comprising Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each.
- For the period ended 14th November 2005, Company has increased Authorized share capital from 1,00,000 fully paid Equity shares to 50,00,000 fully paid Equity shares of Rs.10 each.

- For the period ended 28th May 2007, Company has increased Authorized share capital from 50,00,000 fully paid Equity shares to 1,10,00,000 fully paid Equity shares of Rs.10 each.
- For the period ended 30th December 2009, Company has increased Authorized share capital from 1,10,00,000 fully paid Equity shares to 5,00,00,000 fully paid Equity shares of Rs.10 each.

Issued, Subscribed and paid up:

- For the period ended 6th June 2005, 10,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 22nd November 2005, 49,90,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 28th May 2007, 60,00,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
- For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Reserves and Surplus, As restated

Annexure XI

(Rs. in lacs)					
Particulars	AS on 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
<u>Securities Premium</u>					
Opening Balance					
Add: During the year/ period	5625.00				
Less: Bonus shares issued					
Closing Balance (A)	5625.00				
<u>Profit & Loss Account</u>					
Opening Balance	350.95	175.97	13.93	12.77	
Add: During the year/ period	202.49	174.98	162.05	1.16	12.77
Less: Bonus shares issued	(275.00)				
Closing Balance (B)	278.44	350.95	175.97	13.93	12.77
Total (A+B)	5903.44	350.95	175.97	13.93	12.77

Notes :

- ✓ For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
- ✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Statement of Standalone secured loans taken by the Company, As restated

Annexure XII

(Rs. in lacs)

Particulars	Outstanding as At				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Term Loans	6046.94	7005.44	3344.21	899.92	0.00
Working Capital Facilities	115.66	202.64	203.01	90.24	0.00
Vehicle Loans	79.98	45.83	81.13	37.57	0.00
Total Secured Loans	6242.57	7253.90	3628.35	1027.74	0.00

Standalone Summary Statement Of Terms And Conditions Of Secured Loans,

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security												
1	Central Bank Of India	Term Loan	New Projects	2500.00	1262.64	Repayment is in 24 equal monthly instalment each of Rs 1.04Crore from April 2008.	BPLR Less 0.50% (I.e. 13%)	1)Legal Mortgage of Land at Plot No 279 & 280 at Survey No 454 + 453/4, T.P. Scheme No. 9 & building constructed/ to be constructed thereon at Lambhvel Road, Anand admeasuring 15415.24 Sq. Yds. owned by Dev Arcade Pvt. Ltd for ANAND Project. 2) Legal Mortgage of Land at Plot No 504 & Building constructed / to be constructed thereon situated at Nr. Akshar Chowk, Old Padra Road, Atladra, Baroda admeasuring 24206.82 Sq. Yds to be purchased by Dev Arcade Pvt. Ltd. 3) Hypo of Plant & Machineries/Equipments/Stock of Materials/Other movables assets (both present and future) of the project.												
2	Central Bank OF India	Drop Lind OD	New Projects	5000.00	4050.06	DP will be reduced by Rs.2.50 Crores at the end of every quarter starting from the subsequent quarter after the first drawl thereby limits will be got adjusted in 20 quarters.	BPLR i.e 13% pa	Legal Mortgage of Land & Building siuated at Moje Sola, Taluka : Dascroi, Sub District Ahmedabad 2 detailed as under. <table><tr><td>Sr No.</td><td>Survey No.</td><td>Area in sq.mtrs.</td></tr><tr><td>1</td><td>321</td><td>7993</td></tr><tr><td>2</td><td>323/1/2</td><td>1871</td></tr><tr><td>3</td><td>323/2</td><td>3743</td></tr></table>	Sr No.	Survey No.	Area in sq.mtrs.	1	321	7993	2	323/1/2	1871	3	323/2	3743
Sr No.	Survey No.	Area in sq.mtrs.																		
1	321	7993																		
2	323/1/2	1871																		
3	323/2	3743																		

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
								4 328/1/2/3 3137 5 322 3136 6 18/1/2/3 5564 Total 25444 i.e. 30431 sq.yds.
3	Kotak Mahindra Bank Loan	Term Loan	Term Loan	350.00	217.8	36 EMI of Rs .12.74 Lacs each	KMBL PLR +0.75 (i.e. 18.50%)	1)Registered mortgage of commercial NA land Rev Survey No 323/1/1 FP No - 141/1/1 TPS No 43 at sala Taluka - Daskro Near Fun Point Club, Near Kagil Petrol Pump Ahmedabad admeasuring area 1124 Square Meter. 2)Registered mortgage of NA land Block No 12 FP 13 qps No 52 at ambli Taluka Daskroi Near Dev kutir Bunglow Ahmedabad admeasuring area 1397 Square meter. 3) Registered mortgage of residential NA land Block No. -35/ at Manipur Taluka- Sanand. Dist -Ahmedabad admeasuring area 4654 Square Meters. 4) Assignment in favour of KMBI of I. I. policy with FYP of Rs. 10 lacs.
4	Punjab National Bank	Project loan	New Projects	1200.00	516.43	To be Repayable in 6 Equal Quaterly Installment of Rs.200 Lacs from Mar 2012 to Jun 2013	13.5	Legal mortgage of land at plot no 1, 2 and 93 and 94, block no 189,190,191,192,194-A situated at Ghuma Village, sanand road, Ahmedabad.
5	Axis Bank Ltd	Working Capital Loan	Overdraft	200.00	115.66	NA	15%	Plot No.2 in Arjay Co-op Housing Society Ltd under TP Scheme No. 6 and final Plot No184 for residential purpose situated at Vejalpur Gram Seem at Survey No.1116/1-2-3 admeasuring 418-6 sq. mts and construction permission for 226 sq. mts thereon standing in the name of Mrs. Ritaben Sanjaybhai Thakkar.
6	HDFC Bank Ltd.	Vehicle Loan	Car Loan	45.60	40.53	Repayment is in 36 equal monthly installment each of Rs 1.61 Lacs	16.50%	Hypothecation of the Vehicle
7	HDFC Bank	Vehicle Loan	Car Loan	7.90	4.52	Repayment is in 36 equal monthly installments	12.86%	Hypothecation of the Vehicle

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
	Ltd.					each of Rs 0.26 Lacs from December 2008.		
8	HDFC Bank Ltd.	Vehicle Loan	Car Loan	39.00	34.93	Repayment is in 36 equal monthly installment each of Rs 1.25 Lacs	10.25%	Hypothecation of the Vehicle
	TOTAL			9342.5	6242.57			

Note:

- ✓ The Company has not defaulted on loans and no penalty has been levied.
- ✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Unsecured Loans, As restated

Annexure XIII

Particulars	(Rs. in lacs)					Interest %	Repayment Terms
	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006		
From Directors, Share holders & their Relatives	652.64	7155.17	3732.82	2250.52		Interest Free	Payable on Demand
From Subsidiary Companies						Interest Free	Payable on Demand
From Associates & Group Companies	3096.31	443.94				Interest Free	Payable on Demand
From Inter Corporate Deposits	1551.18	100.00				Interest Free	Payable on Demand
Total	5300.13	7699.11	3732.82	2250.52			

Note:

- ✓ There are no defaults or reschedulement on above mentioned loans and no penalty has been levied.
- ✓ The above mentioned loans are repayable on demand.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements

Standalone Statement of Current Liabilities & Provisions, As Restated**Annexure XIV****(Rs. in lacs)**

Particulars	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
<u>(A) Current Liabilities</u>					
- Sundry Creditors	478.78	20.44	593.99	699.80	60.50
- Advances from customers	1795.91	1431.75	898.20	216.44	1.00
- Other current liabilities	1437.63	470.50	1011.00	221.46	50.00
Subtotal (A)	3712.32	1922.68	2503.19	1137.70	111.50
<u>(B) Provisions</u>					
- For Income Tax	90.00	61.31	58.10	2.07	8.49
- For Fringe Benefit Tax		1.79	2.81	1.02	0.01
- For Service Tax		2.22	2.22		
- For Professional Tax	0.05	0.08	0.03		
- For Statutory Liabilities	22.05	22.28	22.29	12.57	0.17
- For Unpaid Expenses	5.28	4.35	7.75		
Subtotal (B)	117.39	92.03	93.20	15.67	8.67
Total (A+B)	3829.71	2014.71	2596.40	1153.37	120.17

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Employee Cost, As restated**Annexure XV****(Rs. in lacs)**

Particulars	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Salary Expenses	75.27	53.11	11.57		0.03
Staff Welfare Expenses	3.06				
Employees Provident Fund	2.30	2.61	0.44		
Directors Remuneration		25.00	40.00	30.00	
Total	80.64	80.72	52.01	30.00	0.03

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Administrative and other Expenses, As restated**Annexure XVI****(Rs. in lacs)**

Particulars	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Bank Charges	3.22		2.38	1.67	0.56
Rent Paid	163.67				
Donation	0.90	19.60	20.41	1.00	
Kasar	0.00				
Service Tax	0.55	8.30			
Telephone Expenses	3.34	2.21	0.98	1.19	0.14
Electricity Expenses	3.28				0.60
Security Charges	4.11				
Office Expenses	1.03	1.48	0.11		0.00
Vehicle Expenses		2.10	0.26		
Insurance Expenses	8.02	1.31	3.28	1.37	
Stationary	4.26	3.65	0.04		

Professional Fees	2.90		110.14		
Repairs & Maintenance	0.32				
Loss On Sale Of Car	1.61				
Conveyance/Petrol	1.92	0.05			
Travelling Expenses			27.45		
Professional Tax(Company)		0.05			
Municipal Corporation Tax	6.69				
Aqua Design				2.02	
Fringe Benefit Tax					
Income Tax					
Professional Charges			3.20	15.55	6.75
Total	205.81	38.75	168.24	22.79	8.06

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Selling & Distribution Expenses, As restated

Annexure XVII

(Rs. in lacs)

Particulars	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Sales Promotion Expenses -Mobile				0.57	
Brokerage			37.13	126.59	
Advertisement Exp	4.05	4.21	21.34	2.50	
Commission Expenses				7.90	
Total	4.05	4.21	58.47	137.56	

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Interest and finance charges, As restated

Annexure XVIII

(Rs. in lacs)

Particulars	AS on 31.03.10	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
To Bank	952.10	918.61	238.77	6.35	0.15
Loan Processing Fee	0.97		2.39	5.61	
	953.07	918.61	241.16	11.97	0.15
Less :					
Interest Reimbursement Received	729.46	611.24			
Interest Exp. Capitalised to WIP	211.82	307.36	215.85		
Total	11.79		25.31	11.97	0.15

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Real Estate Development, Contract & Other Operating Revenue, As Restated

Annexure XIX

(Rs. in lacs)

Particulars	AS on 31.03.10	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Lease Rental Income	193.96	261.31	236.24	0.00	0.00
Project Supervision Income	75.00	126.96	313.99	216.89	30.25
Income from Sales of Plot	273.67	0.00	0.00	0.00	0.00
Total	542.63	388.27	550.23	216.89	30.25

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Other Income, As restated

Annexure XX

(Rs. in lacs)

Particulars	For the year ended					Nature(Recurring/ Non Recurring)	Related or Non Related to normal Business activity
	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06		
Interest Income	0.25		0.69			Non Recurring	Non related
Kasar			0.04			Non Recurring	Non related
Total	0.25		0.73				

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Standalone Statement of Deferred Tax assets and liabilities

Annexure XXI

(Rs. in lacs)

Particulars	For the Year Ended				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Opening Deferred Tax Liabilities / (Assets)	(6.47)	(2.80)	(0.27)	0.01	0.00
Add/(Less) : Deferred Tax Liabilities/(Assets) due to temporary difference	(3.56)	(3.67)	(2.54)	(0.27)	0.01
Closing Deferred Tax Liabilities / (Assets)	(10.03)	(6.47)	(2.80)	(0.27)	0.01

(Rs. in lacs)

Particulars	For the Year Ended				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Depreciation As per Income Tax	14.14	17.94	19.97	9.05	0.02
Depreciation As per Companies Act	24.73	28.83	25.16	9.86	0.01
Difference Between Depreciation	(10.59)	(10.89)	(5.19)	(0.81)	0.02
Other Differences :					
Unpaid Service Tax			(2.22)		
Unpaid Prof. Tax			(0.03)		
TDS U/s 40(a)(ia)			(0.08)		
Subtotal of Other Differences :	0.00	0.00	(2.34)	0.00	0.00
Time Difference	(10.59)	(10.89)	(7.53)	(0.81)	0.02
Tax Rate	33.66%	33.66%	33.66%	33.66%	33.66%
Balance of (DTA)/DTL	(3.56)	(3.67)	(2.54)	(0.27)	0.01

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Statement of Accounting Ratios, As restated

Annexure XXII

PARTICULARS	AS on 31.03.10	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Basic earning per share (In Rs.)	1.44	1.27	1.27	0.01	0.28
Basic earning per share (Before exceptional items) (In Rs.)	1.44	1.27	1.27	0.01	0.28
Diluted earnings per share (In Rs.)	1.44	1.27	1.27	0.01	0.28
Diluted earning per share (Before exceptional items) (In Rs.)	1.44	1.27	1.27	0.01	0.28
Net Assets value per share (Rs.)	43.34	12.80	11.29	10.23	10.20
Return on Net Worth (%)	2.67%	12.43%	13.05%	0.23%	2.50%
No of Weighted average of outstanding shares					
i) No of shares at the beginning of the year	11000000	11000000	5000000	5000000	0
ii) No of shares at the end of the year	17500000	11000000	11000000	5000000	5000000
iii) Weighted avg. no. of outstanding Equity Shares	14017123	13750000	12796575	7750000	4508082
iv) Weighted avg. no. of outstanding Equity Shares post dilution	14017123	13750000	12796575	7750000	4508082

(Rs. In Lacs)

PARTICULARS	AS on 31.03.10	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006
Net profit / (loss) attributable to equity Shareholders	202.49	174.98	162.05	1.16	12.77
Net profit / (loss) attributable to equity Shareholders before extra ordinary items	202.49	174.98	162.05	1.16	12.77
Tangible Net Worth	7584.90	1408.22	1241.52	511.72	509.85

Notes:

1. Brackets indicate negative figures.
2. Weighted average no. of shares has been calculated on time basis.
3. Formulas for calculating Ratios:

(i) Earning Per share (Rs.) = $\frac{\text{Net profit attributable to equity share holders}}{\text{Weighted average number of equity shares outstanding during the year}}$

(ii) Net asset value per share (Rs.) = $\frac{\text{Net worth}}{\text{Number of equity shares outstanding during the year}}$

Net worth = Equity Share capital + Share Application Money + General Reserves + Securities Premium Account (+/-) Surplus/Deficit in profit and loss Account (-) Miscellaneous Expenditure (to the extent not written off) (-) Deferred Tax Assets

(iii) Return on Net Worth (%) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Net worth}}$

4. Restated net profit, as appearing in the restated Statement of profits and losses (Annexure I) and net worth as appearing in the statement of restated assets and liabilities (Annexure II), has been considered for the purpose of computing the above ratios.

5. Earnings per share calculations are done in accordance with Accounting Standard-20 "Earning per share" issued by the Institute of Chartered Accountants of India.
6. Calculation of ratios post issue has not been considered.

Issued, Subscribed and paid up:

7. For the period ended 6th June 2005, 10,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
8. For the period ended 22nd November 2005, 49,90,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
9. For the period ended 28th May 2007, 60,00,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
10. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
11. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Standalone Statement of Tax Shelter, As Restated

Annexure XXIII

(Rs. in Lacs)

Sr No	Particulars	For the Year Ended				
		31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
A	Profit/ (loss) before Tax, as restated	288.92	234.41	220.42	3.98	21.28
B	Normal Tax Rate	33.99%	33.99%	33.99%	33.66%	33.66%
C	Mat Tax Rate	19.93%	11.33%	11.33%	11.22%	8.42%
D	Tax Impact at applicable Tax Rate on Restated Profit	98.21	79.68	74.92	1.34	7.16
E	<u>Permanent Difference</u>					
	Disallowance for Donation	0.90	19.60	20.41		
	Other Disallowances				2.77	7.13
	Deduction u/s. 24 from house property income		78.39	70.87		
		0.90	97.99	91.28	2.77	7.13
F	<u>Timing Difference</u>					
	Difference Between Income Tax Depreciation and Book Depreciation	(10.59)	(10.89)	(5.19)	(0.81)	0.02
	Net disallowable expenses u/s. 43B			2.26		
	Net (Allowable) / Disallowable Expenses u/s 40a			0.08		
		(10.59)	(10.89)	(2.85)	(0.81)	0.02
G	Net Adjustment Total (G) = E + F	(9.69)	87.10	88.43	1.96	7.15
H	Tax expense / (saving) thereon	(3.29)	29.61	30.06	0.66	2.41
I	Tax Liability (D + H)	94.91	109.28	104.98	2.00	9.57
J	Tax as per MAT(E)	57.58	26.56	24.97	0.45	1.79
K	Total tax [(K)=(I)+(J) Whichever is higher]	94.91	109.28	104.98	2.00	9.57

(Rs. in lacs)

Particulars	Pre-issue as at March 31, 2010	Post Issue
A. Total Debts		
a) Short Term Debts	5415.79	[•]
b) Long Term Debts	6126.91	[•]
Total A. (a+b)	11542.70	[•]
B. Shareholders Funds (Equity)		
a) Equity shares capital	1750.00	[•]
b) Reserves and surplus	5903.44	[•]
Less : Misc. Expenditure	(68.54)	[•]
Total Share holders funds (B)	7584.90	[•]
Long Term Debts / Equity	0.81	[•]
Debts / Equity (A/B)	1.52	[•]

Notes :

1. Short term debt represent debt which are due within twelve months from March 31,2010
2. Long term debt represent debt other than short term debt, as defined above
3. The figures disclosed above are based on the Restated Standalone Summary Statement of Assets and Liabilities of the Company as at March 31, 2010
4. Long Term Debt / Equity = Long Term Debt / Shareholders' Funds
5. The corresponding Post Issue data are not determinable at this stage hence have not been furnished.
6. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
7. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

As per our report attached**For Nautam R Vakil**

Chartered Accountants

Manan Vakil**(Partner)****Membership No. : 102443****Firm ICAI Registration No : 106980W****Place : Ahmedabad****Date : 22nd June, 2010**

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To
The Board of Directors,
DEV PROCON LIMITED
AHMEDABAD

Dear Sirs,

1. We have examined the attached restated consolidated financial information of **DEV PROCON LIMITED** ('the Company') and its subsidiary Companies (collectively referred to as "Dev Group") as approved by the Board of Directors of the Company, which has been prepared in accordance with requirements of Paragraph B of Part - II of Schedule II of the Companies Act, 1956, of India ('the Act') and amendments thereof; Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 and related clarifications and the amendments made thereto from time to time ('the ICDR Regulations') and in terms of our engagement agreed upon with you in accordance with our Engagement Letter dated 23rd December, 2009 in connection with the proposed Initial Public Offer of Equity shares of the Company.
2. The restated consolidated financial information have been prepared by the Company's Management from the audited financial statements for the financial year ended on March 31, 2010. Audit for the years ended March 31, 2010 was conducted by us.
3. The restated consolidated financial information for the above year was examined to the extent practicable, for the purpose of audit of consolidated financial information in accordance with Standards on Quality Control and Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the consolidated financial information under examination is free of material misstatement. We have reported on the consolidated financial information on the basis of information and explanations provided by the management, books and records produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached consolidated financial information of the Company with the respective audited financial statements.
4. In accordance with the requirements of Paragraph B part II of Schedule II of the Act, the ICDR Regulations and the engagement letter, we further report that:
 - a) The 'Consolidated Statement of Assets and Liabilities, As restated' of the Group as at March 31, 2010 was examined by us as set out in Annexure I to this report after making such adjustments and regrouping as in our opinion were appropriate and more fully described in 'Consolidated statements of significant accounting policies and notes to consolidated statements, As restated', set out in Annexure IV.
 - b) The 'Consolidated Statement of Profit & Losses, As restated' of the Group for the year ended on March 31, 2010 was examined by us as set out in Annexure II to this report after making such adjustments and regroupings as in our opinion appropriate and more fully described in Statement of Impact on Consolidated Profit & Loss due to restatements / adjustments made to Audited Financial Statements set out in 'Consolidated statements of significant accounting policies and notes to consolidated statements, As restated', set out in Annexure IV.
 - c) The 'Consolidated Statement of Cash Flows, As restated' of the Group for the years ended on March 31, 2010 was examined by us as set out in Annexure III to this report after making such adjustments and regrouping as in our opinion were appropriate and more fully described in 'Consolidated statements of significant accounting policies and notes to consolidated statements, As restated', set out in Annexure IV.

d) Based on the above, we are of the opinion that the restated financial information has been made after incorporating:

I. Material Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

II. Adjustments for material amounts in the respective financial years / period to which they relate.

III. The extra-ordinary items that need to be disclosed separately in the consolidated financial statements as restated have been disclosed separately.

5. In accordance with the terms of engagement letter, we have also examined the following other restated consolidated financial information of the group set out in the following annexure prepared by the management and approved by the Board of Directors of the Company for the year ended as on March 31, 2010 for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") Letter of Offer:

Consolidated Statement of Fixed assets, As restated	Annexure V
Consolidated Statement of Investment, As restated	Annexure VI
Consolidated Statement of Inventories, As restated	Annexure VII
Consolidated Statement of Sundry Debtors showing age-wise analysis	Annexure VIII
Consolidated Statement of Loans and Advances, As restated	Annexure IX
Consolidated Statement of Dividend Paid, As restated	Annexure X
Consolidated Statement of Share capital, As restated	Annexure XI
Consolidated Statement of Reserves and Surplus, As restated	Annexure XII
Consolidated Statement of Secured Loans, As restated	Annexure XIII
Consolidated Statement of Unsecured Loans, As restated	Annexure XIV
Consolidated Statement of Current Liabilities & Provisions, As Restated	Annexure XV
Consolidated Statement of Employee Cost, As restated	Annexure XVI
Consolidated Statement of Administrative and other Expenses, As restated	Annexure XVII
Consolidated Statement of Selling & Distribution Expenses, As restated	Annexure XVIII
Consolidated Statement of Interest and finance charges, As restated	Annexure XIX
Consolidated Statement of Real Estate Development, Contract & Other Operating Revenue, As Restated	Annexure XX
Consolidated Statement of Other Income, As restated	Annexure XXI
Consolidated Statement of Deferred Tax assets and liabilities	Annexure XXII
Consolidated Statement of Accounting Ratios, As restated	Annexure XXIII
Consolidated Statement of Tax Shelter, As Restated	Annexure XXIV
Consolidated Statement of Capitalization, As restated	Annexure XXV

6. In our opinion, the above consolidated financial information contained in Annexure I to XXIX of this report have been prepared in accordance with Part II of Schedule II of the Act and the ICDR Regulations. The

consolidated financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate. As result of these regroupings and adjustments, the amount reported in the consolidated financial information may not necessarily be same as those appearing in the audited financial statement for the relevant period.

7. This report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed Initial Public Offer of the Company. Our report should not be used for any other purpose except with our consent in writing.
8. This report should neither in anyway be construed as a re-issuance or redrafting of any of the previous Audit Reports issued by us or by other firms of Chartered Accountants nor to be construed as new opinion on any financial statements referred to herein.

As per our report attached
For Nautam R Vakil
Chartered Accountants

Manan Vakil

(Partner)

Membership No. : 102443

Firm ICAI Registration No : 106980W

Place : Ahmedabad

Date : 22nd June, 2010

Consolidated Statement Of Assets And Liabilities, As Restated

ANNEXURE I

(Rs. In Lacs)

Particulars	31.03.2010
<u>A) FIXED ASSETS</u>	
Gross Block	1113.26
Less : Depreciation	66.02
Add : Capital Work In Progress	2706.20
Net Block	3753.43
<u>B) INVESTMENTS</u>	15.57
<u>(C) DEFERRED TAX ASSETS</u>	8.83
<u>C) CURRENT ASSETS & LOANS & ADVANCES</u>	
Inventories	5215.31
Sundry Debtors	6.08
Cash & Bank Balance	1294.38
Loan & Advances	17494.65
Gross Current Assets	24010.42
Total Assets	27788.26
Minority Interest	0.00
<u>Liabilities and Provisions</u>	
Secured Loan	8418.47
Unsecured Loan	7330.37
Deferred Tax Liability	0.00
CURRENT LIABILITIES AND PROVISIONS	
a) Current Liabilities	4447.12
b) Provision	128.91
Total Current Liabilities	4576.03
Sub Total (A)	20324.87
Net Worth Represented by:	
Shareholders Funds:	
Share Capital	1750.00
Share Application Money	0.00
Reserves and Surplus	5903.44
Capital Reserve on Consolidation	9.45
Share of Profit from subsidiary	(0.00)
	7662.89
Less: Goodwill on Consolidation	0.09
Less: Miscellaneous Expenses	199.42
Tangible Net Worth (B)	7463.38
Total Liabilities (A+B)	27788.26

Note:-The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.

Consolidated Statement Of Profits And Losses, As Restated

ANNEXURE II

	(Rs. in lacs)
Particulars	31.03.2010
Income	
Real Estate Dev., Contract & Other Operating Rev.	573.01
Increase / (Decrease) in Inventories	1079.79
Other Income (Recurring)	0.25
Other Income (Non-recurring)	0.00
Total	1653.05
Expenditure	
Cost of construction /Development	1005.37
Staff Costs	85.39
Administration expenses	217.89
Selling & Distribution expenses	4.05
Deffered Revenue Expenses written off	1.34
Total	1314.04
Profit/(loss) before Interest depreciation and taxes	339.01
Interest and finance charges	20.52
Depreciation	26.63
Profit before taxes	291.86
Restated Provision for taxes	
- Current Income Tax	91.75
- Deferred Income Tax	(2.36)
- Fringe Benefit Tax	0.00
- Effect of adjustments on tax	0.00
	89.39
Profit/(loss) after tax but before extraordinary items	202.47
Less: Goodwill written off	0.00
Restated Profit/(loss) after tax but before Minority Interest	202.47
Less: Amount Utilised in Elimination / (Increase) of The Cost of Investment in Subsidiary	9.37
Less: Share in Profit / (Loss) Transferred to Minority Interest	0.00
Restated Profit/(loss) after tax	193.10
Balance brought forward from previous year	360.34
Balance available for appropriation, as restated	553.44
Appropriations	
- Bonus Share	275.00
Total Balance Carried to Balance Sheet	278.44

Note:- The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.

		(Rs. In Lacs)
	Particulars	AS On 31.03.2010
A.	<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>	
	Profit / (Loss) before tax, as restated	291.86
	Adjustments For :	
	Depreciation / Amortisation	26.63
	Misc. Exp. w/off	1.34
	Misc. Exp. Incurred	(29.56)
	Appropriation - Bonus share	(275.00)
	Elimination / (Increase) of The Cost of Investment in Subsidiary	(9.37)
	Share in Profit / (Loss) Transferred to Minority Interest	(0.00)
	Operating profit / (Loss) before working capital changes	5.89
	Adjustments For :	
	- (INCREASE)/DECREASE in Inventories	(1079.79)
	- (INCREASE)/DECREASE in Sundry Debtors	(1.01)
	- (INCREASE)/DECREASE in Loans & Advances	(2721.63)
	- INCREASE/(DECREASE) in Current Liabilities	2359.71
	- INCREASE/(DECREASE) in Provision	31.90
	Cash (used in) / generated from operations	(1404.92)
	- Taxes (Paid) / Received (Net of TDS)	(91.75)
	Net cash (used in) / generated from operating activities - (A)	(1496.67)
B.	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>	
	(Increase) in Fixed Assets	(319.30)
	Decrease in Fixed Assets	16.36
	Increase / (Decrease) Capital Work In Progress	(1928.54)
	Increase / (Decrease) in Investment	19.36
	Goodwill on Consolidation	(0.09)
	Capital Reserve on Consolidation	9.45
	Minority Interest	0.00
	Net cash (used in)/ generated from investing activities - (B)	(2202.75)
C.	<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>	
	Proceeds from fresh issue of Share Capital	647.00
	Share Premium	5625.00
	Increase / (Decrease) Secured Loans	(253.63)
	Increase / (Decrease) Unsecured Loans	(1082.03)
	Net Cash generated from/ (used in) Financing activities - (C)	4936.34
D.	Net increase / (Decrease) in cash and cash equivalent - (A+B+C)	1236.91
	Cash & cash equivalents at the beginning of the period	57.47
	Cash & cash equivalents at the end of the period	1294.38

Note:-

- The above statement should be read with the notes to the Restated Summary Statements of Assets and Liabilities, Profits and losses and cash flows as appearing in Annexure – IV.
- The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard – 3 on Cash Flow Statement of the Companies (Accounting Standard) Rules, 2006.

3. Negative figures represent cash outflow.
4. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
5. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Consolidated Statements Of Significant Accounting Policies And Notes To Consolidated Statements, As Restated **Annexure Iv**

A. Basis of Preparation of Restated Consolidated Summary Statements

1. The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) on “Consolidated Financial Statements” and Accounting Standard 23 (AS 23) on “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Dev Procon Limited, its subsidiaries and associates. Reference in the notes to “Group” shall mean to include Dev Procon Limited, its subsidiaries and associates, consolidated in these financial statements unless otherwise stated.

2. Principles of Consolidation

- I. The financial statements of the subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-company balances and intra-company transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- II. In case of associates where Dev Procon Limited directly or indirectly holds more than 20% but equal to or less than 50% of equity investments in associates are accounted for using Equity Method in accordance with Accounting Standard (AS) 23 “Accounting for Investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- III. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations if any have been made in the consolidated financial statements.
- IV. The Company has acquired first Subsidiary Company during Financial Year 2009-10. Hence no Consolidation is required for and as at year ended on March 31st, 2006, 2007, 2008, 2009.
- V. Minority interest in net income and net assets of subsidiary companies is computed and disclosed separately.
- VI. The list of subsidiaries considered in preparation of the Restated Consolidated Summary Statements:

Particulars	Devfun Point Reality Pvt. Ltd.	Devpriya Infrastructure Pvt. Ltd.	Devdip Arcade Pvt. Ltd.	Dhamal Estate Pvt. Ltd.
Proportion of Ownership interest as at March 31, 2010	99.99%	99.99%	99.99%	99.99%
Date of becoming subsidiary	26-Mar-10	27-Mar-10	25-Mar-10	29-Mar-10
Country of Incorporation	India	India	India	India
Period considered in preparation of Restated Consolidated summary statements	From 26th March to Till Date	From 27th March to Till Date	From 25th March to Till Date	From 29th March to Till Date

Note: Subsidiaries are engaged in the core business of real estate development and construction and hospitality industry.

Statement of Significant Accounting Policies adopted by the company in the preparation of financial statements as at and for the year ended March 31, 2010 .

1. Basis of Preparation

The Financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and in compliance with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956, as adopted consistently by management. All the income & expenditure having material impact on financial statements are recognized on accrual basis.

Preoperative expenses are written off over the period of five years beginning from the year of execution of sale documents.

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. Any revision to accounting estimates is recognized prospectively in the current and future years.

3. Fixed assets including intangible assets

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under Capital work in progress.

4. Depreciation / Amortisation

Depreciation on Fixed Assets is provided on written down value Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs. Depreciation on Assets acquired / disposed off during the year is provided on prorate basis with reference to the date of addition/ disposal.

5. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

7. Inventories

Inventories comprising of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct and indirect expenditure, which is determined based on specific identification to the construction activity. Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The inventory is valued at lower of the cost and net realizable value. Cost formula used by the assessee is FIFO. The construction work ongoing is shown as Construction work in progress as certified by the civil valuer regarding the cost and progress of the project.

Interest paid on term loan obtained for the Project is transferred to the construction work in progress as being the capital cost not charged to revenue.

8. Revenue Recognition

Revenue from Real Estate Development & Sale of property is recognised when significant risk related to real estate is transferred to the buyer and/or no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales. The amount received from customers which does not qualify for revenue recognition is accounted for as current liabilities under the head advance from customer.

Income from contractual activities

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

Income from sale of development rights

Revenue from sale of development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from sale of developed property

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from property development

Revenue from real estate under development/ sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognized in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rent Income :

The company is earning the rent as per the agreement entered into.

9. Cost of Development

Development costs are charged to the profit and loss account in proportion with revenue recognized during the period.

10. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred. Interest paid against Project loan for the fund utilized on the particular project is capitalized and shown as construction work in progress.

11. Retirement and other employee benefits

A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short term compensated absences are provided for based on estimates.

12. Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Further, in situations where the Group is entitled to tax holiday, deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period, but reverse after the tax holiday period.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

13. Advances/deposits against property

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognized as 'Advances against property' under Loans and Advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to Work in progress.

Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as deposits under Loans and Advances, unless they are non-refundable, wherein they are transferred to Work in progress on the launch of project.

14. Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

17. Segment Reporting

The Company is engaged in the business of real estate development in India. Since, the Company's business activity primarily falls within a single business and geographical segment, no further disclosures are required, other than those already given in the financial statements.

3. Related Party Information

c) List of Related parties

<u>Key managerial personnel:</u>
Sanjay Hiralal Thakkar
Dipak Ajitkumar Thakkar
<u>Subsidiary companies</u>
Devfun Point Reality Private Limited.
Devpriya Infrastructure Private Limited
Devdip Arcade Private Limited
Dhamal Estate Private Limited
<u>Enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise</u>
Amikrupa Reality Private Limited
Devdip Malls Developers Private Limited
Ritaben Thakkar
Swaminarayan Traders
Dev Party Plot [Prop: S H Thakkar]
Dev Diya Reality Private Limited
Devdiya Arcade Private Limited
Dev rushi reality Private Limited
Dev Shakti Reality Private Limited
Dev Bhumi Arcade Private Limited
Dev Rushi Arcade Private Limited
Devraj Builders Private Limited

Devdip Malls Developers Private Limited
Dev Diya Builders Private Limited

d) Transactions with Related parties

(Rs. In Lacs)	
Particulars	31.03.10
<u>Loans & Advances Given /(repaid)</u>	
Amikrupa Reality Private Limited	19.60
Dev Priya Infrastructure Private Limited	351.00
Devdip Malls Developers Private Limited	3181.73
Sanjay Thakkar	2332.50
Ritaben Thakkar	1731.32
Swaminarayan Traders	(2348.94)
Devdiya Reality Private Limited	273.67
<u>Unsecured loan (taken) / repaid</u>	
Sanjay H Thakkar	2922.38
Dipak A Thakkar	33.45
Dev Diya Reality Private Limited	(649.98)
Devdiya Arcade Private Limited	(280.67)
Dev rushi reality Private Limited	(282.83)
Dev Shakti Reality Private Limited	(279.16)
Dev Bhumi Arcade Private Limited	(281.33)
Dev Rushi Arcade Private Limited	(278.89)
Devraj Builders Private Limited	(260.89)
Devdip Malls Developers Private Limited	(57.93)
Dev Diya Builders Private Limited	(280.68)
Ritaben Thakkar	(0.50)
Dev Party Plot [Prop: S H Thakkar]	(338.07)

7. NOTES TO RESTATED SUMMARY STATEMENTS

- The Company's operations predominantly consist of real estate development and construction/project activities. Hence there are no reportable segments under Accounting Standard - 17. During these years under report, the Company has engaged in its business only within India and not in any other Country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.
- Events occurring after Balance Sheet dates

No significant events which could affect the financial position, to a material extent have been reported by the assessee, after the balance sheet date till the signing
- In the opinion of the Board, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provisions for all known and determined liabilities are adequate and not in the excess of the amount reasonably necessary.
- Work-in-progress have been taken as verified, valued and certified by the management and as informed, it is taken on the basis of cost price.
- In view of Accounting Standard required by AS-28 .Impairment of Asset. issued by ICAI, the company has reviewed its fixed asset and does not expect any loss, on account of impairment in addition to the provision already made in the books.
- There are no Micro and Small enterprises, to which the company owes dues, which are outstanding for more than 45 days. This information as required to be disclosed under Micro,

Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

- There is no Impact on Profit & Loss due to restatements/adjustments made to Audited Financial Statements & Notes on Adjustments made in restated accounts in the year 2009-10.

4. Contingent Liabilities

4. Dev Procon Limited has given financial Guarantee of Rs.57.50 Crores for Devdip Malls Developers Private Limited in year July 2007 to Central Bank of India for term loan. In July 2007 Dev Procon Limited was known as Dev Arcade Private Limited.
5. Dev Procon Limited has given financial Guarantee of Rs.15 Crores for Devfun Point Reality Private Limited in Mar 2010 to Central Bank of India for term loan. Devfun point reality private limited is wholly owned subsidiary of Dev Procon Limited.
6. The Infinity Retail Limited has filed the claim of Rs.22 Crores against Dev Procon Limited (Formally know as Dev Arcade Private Limited) before Arbitrator (Retd. Justice Mr. C.K. Thakkar of Supreme Court of India). Dev Procon Limited has filed detailed reply on this claim. However the said matter is pending before arbitral Tribunal.

5. Deferred tax

(Rs. in lacs)	
Particulars	For the Year Ended 31.03.10
Opening Deferred Tax Liabilities / (Assets)	(6.47)
Add/(Less) : Deferred Tax Liabilities/(Assets) due to temporary difference	(2.36)
Closing Deferred Tax Liabilities / (Assets)	(8.83)

(Rs. In Lacs)			
Particulars	Balance as on 01.04.2009	Charged)/Cre dited To P & L	Balance as on 31.03.2010
Deferred Tax Liabilities/(Assets) due to temporary difference	(6.47)	(2.36)	(8.83)

(Rs. In Lacs)	
Particulars	For the Year Ended 31.03.10
Depreciation As per Income Tax	19.60
Depreciation As per Companies Act	26.63
Difference Between Depreciation	(7.02)
Time Difference	(7.02)
Tax Rate	33.66%
Balance of (DTA)/DTL	(2.36)

(Rs. In Lacs)	
Particulars	AS On 31.03.2010
<u>Land</u>	
Gross Block	888.97
Less: Accumulated Depreciation	0.00
Net Block	888.97
<u>Computer</u>	
Gross Block	0.16
Less: Accumulated Depreciation	0.06
Net Block	0.10
<u>Printer</u>	
Gross Block	0.69
Less: Accumulated Depreciation	0.24
Net Block	0.44
<u>Furniture</u>	
Gross Block	3.84
Less: Accumulated Depreciation	0.50
Net Block	3.34
<u>Vehicles</u>	
Gross Block	162.12
Less: Accumulated Depreciation	62.58
Net Block	99.55
<u>Office Equipments</u>	
Gross Block	2.89
Less: Accumulated Depreciation	0.75
Net Block	2.15
<u>Building</u>	
Gross Block	54.58
Less: Accumulated Depreciation	1.89
Net Block	52.69
Total	
Gross Block	1113.26
Less: Accumulated Depreciation	66.02
Net Block	1047.24

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Investment, As restated**Annexure VI**

(Rs. In Lacs)	
Particulars	AS on 31.03.10
A) Investment in Group / Other Companies	
<u>In Unquoted Equity Shares</u>	
Equity Share of Devdip Malls Private Ltd.	4.90
Megha Multi Dymension Private Ltd.	0.25
Subtotal (A)	5.15
B) Others	
Fixed Deposits	10.42
Subtotal (B)	10.42
TOTAL (A+B)	15.57

Consolidated Statement of Inventories, As restated**Annexure VII**

(Rs. In Lacs)	
Particulars	AS on 31.03.10
a) Stock of Work-in-progress & Raw Materials	5194.31
b) Stock of Raw Materials	21.00
Total	5215.31

Statement of Consolidated Sundry Debtors showing age-wise analysis, As restated**Annexure VIII**

(Rs. in lacs)	
Particulars	As On 31.12.2010
Sundry Debtors	
(Unsecured, considered good)	
Debts over six months	Nil
Total (A)	Nil
Other debts considered good	6.08
Total (B)	6.08
Total Debtors (A+B)	6.08

Note: None of the Debtors is related to Directors/Promoters of the Company.

Consolidated Statement of Loans and Advances, As restated**Annexure IX**

(Rs. in Lacs)	
Particulars	AS on 31.03.10
LOANS AND ADVANCES (Unsecured Considered as Good)	
- Associate & Group Companies	13790.60
- To Suppliers / Others	3635.79
- Advance to Staff	0.91
- Security Deposit	17.44
- Advance Income Tax & TDS	34.76
- Other Advances	15.14
Total	17494.65

Note :

The loans and advances given to subsidiaries / associates are repayable on demand.
Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Dividend Paid, As restated**Annexure X**

(Rs. in lacs)	
Particulars	For the year ended 31.03.10
Face Value of Equity Shares (Rs. Per Share)	10
Interim Dividend on Equity Shares	--
Final Dividend on Equity Shares	--
Total Dividend on Equity Shares	--
Dividend Rate	--
Dividend Tax	--

Note:

No dividend is paid by the Company during the above mentioned Years/Period.
Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Share capital, As restated**Annexure XI**

(Rs. in lacs)	
Particulars	For the year ended 31.03.10
AUTHORISED 5,00,00,000 Equity Shares of Rs. 10/- each	5000.00
ISSUED, SUBSCRIBED AND PAID UP 1,75,00,000 Equity Shares of Rs.10/- each fully paid up	1750.00
Total	1750.00

Notes:

- The initial authorised share capital of the Company comprising Rs. 1,00,000 divided into 10,000 equity shares of Rs. 10 each.
- For the period ended 14th November 2005, Company has increased Authorized share capital from 1,00,000 fully paid Equity shares to 50,00,000 fully paid Equity shares of Rs.10 each.
- For the period ended 28th May 2007, Company has increased Authorized share capital from 50,00,000 fully paid Equity shares to 1,10,00,000 fully paid Equity shares of Rs.10 each.

- For the period ended 30th December 2009, Company has increased Authorized share capital from 1,10,00,000 fully paid Equity shares to 5,00,00,000 fully paid Equity shares of Rs.10 each.

Issued, Subscribed and paid up:

- For the period ended 6th June 2005, 10,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 22nd November 2005, 49,90,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 28th May 2007, 60,00,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
- For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
- For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Reserves and Surplus, As restated

Annexure XII

		(Rs. in lacs)
Particulars		AS on 31.03.10
<u>Securities Premium</u>		
Opening Balance		
Add: During the year/ period		5625.00
Less: Bonus shares issued		
Closing Balance (A)		5625.00
<u>Profit & Loss Account</u>		
Opening Balance		360.34
Add: During the year/ period		193.10
Less: Bonus shares issued		(275.00)
Closing Balance (B)		278.44
Total (A+B)		5903.44

Notes :

- ✓ For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lac
- ✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Secured Loans, As restated

Annexure XIII

		(Rs. in lacs)
Particulars		Outstanding as At 31.03.10
Term Loans		8222.84
Working Capital Facilities		115.66
Vehicle Loans		79.98
Total Secured Loans		8418.47

Consolidated Summary Statement Of Terms And Conditions Of Secured Loans,

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
1	Central Bank Of India	Term Loan	New Projects	2500.00	1262.64	Repayment is in 24 equal monthly instalment each of Rs 1.04Crore from April 2008.	BPLR Less 0.50% (I.e. 13%)	1)Legal Mortgage of Land at Plot No 279 & 280 at Survey No 454 + 453/4, T.P. Scheme No. 9 & building constructed/ to be constructed thereon at Lambhvel Road, Anand admeasuring 15415.24 Sq. Yds. owned by Dev Arcade Pvt. Ltd for ANAND Project. 2) Legal Mortgage of Land at Plot No 504 & Building constructed / to be constructed thereon situated at Nr. Akshar Chowk, Old Padra Road, Atladra, Baroda admeasuring 24206.82 Sq. Yds to be purchased by Dev Arcade Pvt. Ltd. 3) Hypo of Plant & Machineries/Equipments/Stock of Materials/Other movables assets (both present and future) of the project.
2	Central Bank OF India	Drop Lind OD	New Projects	5000.00	4050.06	DP will be reduced by Rs.2.50 Crores at the end of every quarter starting from the subsequent quarter after the first drawl	BPLR i.e 13% pa	Legal Mortgage of Land & Building siuated at Moje Sola, Taluka : Dascroi, Sub District Ahmedabad 2 detailed as under. Sr No. Survey No. Area in sq.mtrs. 1 321 7993

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
						thereby limits will be got adjusted in 20 quarters.		2 323/1/2 1871 3 323/2 3743 4 328/1/2/3 3137 5 322 3136 6 18/1/2/3 5564 Total 25444 i.e. 30431 sq.yds.
3	Kotak Mahindra Bank Loan	Term Loan	Term Loan	350.00	217.8	36 EMI of Rs .12.74 Lacs each	KMBL PLR +0.75 (i.e. 18.50%)	1) Registered mortgage of commercial NA land Rev Survey No 323/1/1 FP No - 141/1/1 TPS No 43 at sala Taluka - Daskro Near Fun Point Club, Near Kagil Petrol Pump Ahmedabad admeasuring area 1124 Square Meter. 2) Registered mortgage of NA land Block No 12 FP 13 qps No 52 at ambli Taluka Daskroi Near Dev kutir Bunglow Ahmedabad admeasuring area 1397 Square meter. 3) Registered mortgage of residential NA land Block No. -35/ at Manipur Taluka- Sanand. Dist -Ahmedabad admeasuring area 4654 Square Meters. 4) Assignment in favour of KMBI of I. I. policy with FYP of Rs. 10 lacs.
4	Punjab National Bank	Project loan	New Projects	1200.00	516.43	To be Repayable in 6 Equal Quaterly Installment of Rs.200 Lacs from Mar 2012 to Jun 2013	13.5	Legal mortgage of land at plot no 1, 2 and 93 and 94, block no 189,190,191,192,194-A situated at Ghuma Village, sanand road, Ahmedabad.
5	Axis Bank Ltd	Term Loan	New Projects	700.00	241.50	To be Repayable in 17 monthly installments of Rs. 38.89 Lacs each and last installment of Rs. 38.87 Lacs. Repayment to commence from October 2008.Interest to be serviced on a monthly basis.	BPLR+1.75% i.e. 13.00% p.a. payable monthly as and when debited.	Primary (1) Exclusive first charge by way of Equitable mortgage of proposed building structure including land admeasuring 2226 sq. mtrs bearing Revenue Survey No. 1236/2, situated, lying & being within the village limit of Mouje: Anand and District: Anand belonging to Devpriya Infrastructure Pvt. Ltd. (2) Hypothecation charge over the entire receivables & moveable fixed assets of the project called "Dev Grand

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
								<p>Mall-II" in Anand. (3)Negative lien on saleable units of the project "Dev Grand Mall-II" in Anand. <u>Collateral</u> Extension of equitable mortgage on F.P. no. 4/1 of T.P. scheme no. 52 of Ambli, Opp. Dev Kutir Bangalow-II, Near Bopal Main Road admeasuring 7965.36 sq. yds. Owned by smt. Ritaben S. Thakkar <u>Guarantees</u> Personal Guarantee of Shri Sanjay Thakkar & Shri Deepak Thakkar. Corporate Guarantee of M/s Dev Arcade Private Limited. Personal Guarantee of Smt. Ritaben S Thakkar as owner of the property offered as collateral.</p>
6	Central Bank Of India	Term Loan	New Projects	1500.00	1250.45	Repayable in 71 structured monthly installments. The first such installment will commence from October, 2010.	BPLR+1% i.e. 13.00% p.a. at present, payable monthly.	<p><u>Primary Security</u> (1)Legal Mortgage on land, admeasuring 2629 Sq. Mtrs., situated at Final Plot No.141/2, T. P.Scheme No. 43, Mouje Sola, Fun Point Club, Near Gujarat High Court, S.G. Highway, Tal. Dascroi, Sub Dist. Ahmedabad (Vadaj), Dist. Ahmedabad, and buildings constructed/to be constructed thereon, in the name of Devfun Point Reality Pvt. Ltd. (2)Hypothecation of furniture & fixtures, Air Condition Machines, Lifts, other Plant & Machineries, Equipments, Stocks of Materials and other movable assets (both present & future) of the company. <u>Guarantees</u> Personal Guarantee of Mr. Sanjay H Thakkar & Mrs. Ritaben S. Thakkar. Corporate Guarantee of Dev Procon Private Limited.</p>
7	Axis Bank Ltd	Term Loan	New Projects	583.00	510.30	EMI of Rs. 748445/- to commence from the month next to the date of	BPLR + 2.75% i.e 13.00%	<p><u>Primary</u> Hypothecation of future rent receivables from M/s. Home Care Retail Marts Private Limited. And M/s. Cinemax (I)</p>

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
						disbursement on 22nd day of every month.	p.a. at present at monthly intervals subject to changes from time to time. (BPLR is currently 15.75 %)	Ltd. From the property mentioned below. <u>Collateral</u> Equitable Mortgagage of commercial property belonging to Devdip Arcade Pvt. Ltd. situated at plot no. 406, T.P. no. 6,(sub plot no.1,2,3 Survey no. 1431) and building constructed thereon known as "Dev Arc Mall" at Opp. Annapurna Hall, Vikas Gruh Road, Off. Ashram, Nr. Dharnidhar Derasar, Ahmedabad, owned by Devdip Arcade Pvt. Ltd. in Bank's favour. <u>Guarantees</u> Personal guarantees of Mr. Rajkumar Motumal Chainani and Mrs. Pushpa Rajkumar Chainani.
8	Axis Bank Ltd	Term Loan	New Projects	230.00	173.65	EMI of Rs. 329306/- to commence from the month next to the date of disbursement on 22nd day of every month.	BPLR + 2.75% i.e 13.00% p.a. at present at monthly intervals subject to changes from time to time. (BPLR is currently 15.75 %)	<u>Primary</u> Hypothecation of future rent receivables from M/s. Home Care Retail Marts Private Limited. And M/s. Cinemax (I) Ltd. From the property mentioned below. <u>Collateral</u> Equitable Mortgagage of commercial property belonging to Devdip Arcade Pvt. Ltd. situated at plot no. 406, T.P. no. 6,(sub plot no.1,2,3 Survey no. 1431) and building constructed thereon known as "Dev Arc Mall" at Opp. Annapurna Hall, Vikas Gruh Road, Off. Ashram, Nr. Dharnidhar Derasar, Ahmedabad, owned by Devdip Arcade Pvt. Ltd. in Bank's favour. <u>Guarantees</u> Personal guarantees of Mr. Rajkumar Motumal Chainani and Mrs. Pushpa Rajkumar Chainani.
9	Axis Bank Ltd	Working Capital Loan	Overdraft	200.00	115.66	NA	15%	Plot No.2 in Arjay Co-op Housing Society Ltd under TP Scheme No. 6 and final Plot No184 for residential purpose situated at Vejalpur Gram Seem at Survey No.1116/1-2-3 admeasuring 418-6 sq. mts and construction permission for 226 sq. mts thereon standing in the name of Mrs. Ritaben Sanjaybhai Thakkar.

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
10	HDFC Bank Ltd.	Vehicle Loan	Car Loan	45.60	40.53	Repayment is in 36 equal monthly installment each of Rs 1.61 Lacs	16.50%	Hypothecation of the Vehicle
11	HDFC Bank Ltd.	Vehicle Loan	Car Loan	7.90	4.52	Repayment is in 36 equal monthly installments each of Rs 0.26 Lacs from December 2008.	12.86%	Hypothecation of the Vehicle
12	HDFC Bank Ltd.	Vehicle Loan	Car Loan	39.00	34.93	Repayment is in 36 equal monthly installment each of Rs 1.25 Lacs	10.25%	Hypothecation of the Vehicle
	TOTAL				8,418.47			

Note:

- ✓ The Company has not defaulted on loans and no penalty has been levied.
- ✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Unsecured Loans, As restated

Annexure XIV

(Rs. In Lacs)			
Particulars	AS On 31.03.2010	Interest %	Repayment Terms
From Directors, Share holders & their Relatives	2263.22	Interest Free	Payable on Demand
From Subsidiary Companies		Interest Free	Payable on Demand
From Associates & Group Companies	3515.97	Interest Free	Payable on Demand
From Inter Corporate Deposits	1551.18	Interest Free	Payable on Demand
Total	7330.37		

Note:

- ✓ There are no defaults or reschedulement on above mentioned loans and no penalty has been levied.
- ✓ The above mentioned loans are repayable on demand.

Refer Annexure IV - Notes on Adjustments in Restated Financial statements

Consolidated Statement of Current Liabilities & Provisions, As Restated**Annexure XV**

(Rs. in lacs)	
Particulars	AS On 31.03.2010
<u>(A) Current Liabilities</u>	
- Sundry Creditors	938.77
- Advances from customers	2070.72
- Other current liabilities	1437.63
Subtotal (A)	4447.12
<u>(B) Provisions</u>	
- For Income Tax	96.60
- For Fringe Benefit Tax	
- For Service Tax	1.97
- For Professional Tax	0.06
- For Statutory Liabilities	23.51
- For Unpaid Expenses	6.77
Subtotal (B)	128.91
Total (A+B)	4576.03

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Employee Cost, As restated**Annexure XVI**

(Rs. In Lacs)	
Particulars	AS On 31.03.2010
Salary Expenses	80.02
Staff Welfare Expenses	3.06
Employees Provident Fund	2.30
Total	85.39

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Administrative and other Expenses, As restated**Annexure XVII**

(Rs. in lacs)	
Particulars	AS On 31.03.2010
Bank Charges	3.45
Rent Paid	163.67
Donation	0.90
Telephone Expenses	3.37
Electricity Expenses	11.01
Security Charges	4.77
Office Expenses	1.98
Insurance Expenses	8.10
Stationary	4.88
Professional Fees	2.90
Repairs & Maintenance	0.32
Loss On Sale Of Car	1.61
Conveyance/Petrol	1.92

Municipal Corporation Tax	6.69
Petrol Expenses	0.03
Auda Fees	0.68
Interest on T.D.S. Expenses	0.07
House Keeping	0.75
Service Tax	0.55
Professional Charges	0.22
Total	217.89

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Selling & Distribution Expenses, As restated	Annexure XVIII
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(Rs. in lacs)	
Particulars	AS On 31.03.2010
Advertisement Exp	4.05
Total	4.05

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Interest and finance charges, As restated	Annexure XIX
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(Rs. in lacs)	
Particulars	AS on 31.03.10
To Bank	952.55
Loan Processing Fee	9.25
	961.80
Less :	
Interest Reimbursement Received	729.46
Interest Exp. Capitalized to WIP	211.82
Total	20.52

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Real Estate Development, Contract & Other Operating Revenue, As Restated	Annexure XX
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(Rs. in lacs)	
Particulars	AS on 31.03.10
Rental Income	224.34
Project Supervision Income	75.00
Income from Sales of Plot	273.67
Total	573.01

✓ Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Other Income, As restated**Annexure XXI**

(Rs. In Lacs)			
Particulars	For the year ended 31.03.10	Nature(Recurring/ Non Recurring)	Related or Non Related to normal Business activity
Interest Income	0.25	Non Recurring	Non related
Total	0.25		

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Consolidated Statement of Deferred Tax assets and liabilities**Annexure XXII**

(Rs. in lacs)	
Particulars	For the Year Ended 31.03.10
Opening Deferred Tax Liabilities / (Assets)	(6.47)
Add/(Less) : Deferred Tax Liabilities/(Assets) due to temporary difference	(2.36)
Closing Deferred Tax Liabilities / (Assets)	(8.83)

(Rs. in lacs)	
Particulars	For the Year Ended 31.03.10
Depreciation As per Income Tax	19.60
Depreciation As per Companies Act	26.63
Difference Between Depreciation	(7.02)
Time Difference	(7.02)
Tax Rate	33.66%
Balance of (DTA)/DTL	(2.36)

(Rs. in lacs) (Rs. In Lacs)			
Particulars	Balance as on 01.04.2009	(Charged) / Credited To P & L	Balance as on 31.03.2010
Deferred Tax Liabilities/(Assets) due to temporary difference	(6.47)	(2.36)	(8.83)

Refer Annexure IV - Notes on Adjustments in Restated Financial statements.

Statement of Accounting Ratios, As restated**Annexure XXIII**

PARTICULARS	AS on 31.03.10
Basic earning per share (In Rs.)	1.38
Basic earning per share (Before exceptional items) (In Rs.)	1.38
Diluted earnings per share (In Rs.)	1.38
Diluted earning per share (Before exceptional items) (In Rs.)	1.38
Net Assets value per share (In. Rs.)	42.66

Return on Net Worth (%)	2.59%
No of Weighted average of outstanding shares	
i) No of shares at the beginning of the year	11000000
ii) No of shares at the end of the year	17500000
iii) Weighted avg. no. of outstanding Equity Shares	14017123
iv) Weighted avg. no. of outstanding Equity Shares post dilution	14017123

(Rs. In Lacs)	
PARTICULARS	AS on 31.03.10
Net profit / (loss) attributable to equity Shareholders	193.14
Net profit / (loss) attributable to equity Shareholders before extra ordinary items	193.14
Tangible Net Worth	7465.72

Notes:

1. Brackets indicate negative figures.
2. Weighted average no. of shares has been calculated on time basis.
3. Formulas for calculating Ratios:

$$(i) \text{ Earning Per share (Rs.)} = \frac{\text{Net profit attributable to equity share holders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$(ii) \text{ Net asset value per share (Rs.)} = \frac{\text{Net worth}}{\text{Number of equity shares outstanding during the year}}$$

Net worth = Equity Share capital + Share Application Money + General Reserves + Securities Premium Account (+/-) Surplus/Deficit in profit and loss Account (-) Miscellaneous Expenditure (to the extent not written off) (-) Deferred Tax Assets

$$(iii) \text{ Return on Net Worth (\%)} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Net worth}}$$

4. Restated net profit, as appearing in the restated Statement of profits and losses (Annexure I) and net worth as appearing in the statement of restated assets and liabilities (Annexure II), has been considered for the purpose of computing the above ratios.
5. Earnings per share calculations are done in accordance with Accounting Standard-20 "Earning per share" issued by the Institute of Chartered Accountants of India.
6. Calculation of ratios post issue has not been considered.

Issued, Subscribed and paid up:

7. For the period ended 6th June 2005, 10,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
8. For the period ended 22nd November 2005, 49,90,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.
9. For the period ended 28th May 2007, 60,00,000 fully paid up equity shares of Rs.10/- each were issued at Rs10/- each.

10. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
11. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

Consolidated Statement of Tax Shelter, As Restated

Annexure XXIV

		(Rs. in lacs)
Sr. No	Particulars	For the Year Ended 31.03.10
A	Profit/ (loss) before Tax, as restated	291.86
B	Normal Tax Rate	33.99%
C	Mat Tax Rate	19.93%
D	Tax Impact at applicable Tax Rate on Restated Profit	99.20
E	<u>Permanent Difference</u> Disallowance for Donation	0.90
		0.90
F	<u>Timing Difference</u> Difference Between Income Tax Depreciation and Book Depreciation	(7.02)
		(7.02)
G	Net Adjustment Total (G) = E + F	(6.12)
H	Tax expense / (saving) thereon	(2.08)
I	Tax Liability (D + H)	97.12
J	Tax as per MAT(E)	58.17
K	Total tax [(K)=(I)+(J) Whichever is higher]	97.12

Consolidated Statement of Capitalization, As restated

Annexure XXV

			(Rs. in lacs)
Particulars	Pre-issue as at March 31, 2010	Post Issue	
A. Total Debts			
a) Short Term Debts	7446.03	[•]	
b) Long Term Debts	8302.81	[•]	
Total A. (a+b)	15748.84	[•]	
B. Shareholders Funds (Equity)			
a) Equity shares capital	1750.00	[•]	
b) Reserves and surplus	5912.89	[•]	
Less : Goodwill on Consolidation	(0.09)		
Less : Misc. Expenditure	(199.42)	[•]	
Total Share holders funds (B)	7463.38	[•]	
Long Term Debts / Equity	1.11	[•]	
Debts / Equity (A/B)	2.11	[•]	

Notes :

1. Short term debt represent debt which are due within twelve months from March 31,2010
2. Long term debt represent debt other than short term debt, as defined above
3. The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2010
4. Long Term Debt / Equity = Long Term Debt / Shareholders' Funds
5. The corresponding Post Issue data are not determinable at this stage hence have not been furnished.
6. For the period ended 10th February 2010, Company has issued 27,50,000 fully paid Bonus shares to the Equity Shareholders by capitalisation of Accumulated Profit & Loss Account of Rs. 275.00 lacs.
7. For the period ended 5th March 2010, 37,50,000 fully paid up equity shares of Rs.10/- each were issued at Rs160/- each.

As per our report attached
For Nautam R Vakil
Chartered Accountants

Manan Vakil

(Partner)

Membership No. : 102443

Firm ICAI Registration No : 106980W

Place : Ahmedabad

Date : 22nd June, 2010

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There have been no significant changes in Accounting Policies in the past three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the audited financial statements, for each of the fiscal years ended March 31, 2006, 2007, 2008, 2009 and 2010 including the Schedules, Annexures and Notes thereto and the Reports thereon, which appear in the section titled "Financial Information of the company" beginning on page 130 of this Draft Red Herring Prospectus. These financial statements are prepared in accordance with Indian GAAP, the Companies Act, and the SEBI Regulations as described in the Statutory Auditor's Report of M/s. Nautam R Vakil, Chartered Accountants dated 22-06-2010 in the chapter titled 'Financial Information of the company' beginning on page 130 of this Draft Red Herring Prospectus.

Our Financial Year (FY) ends on March 31 of each year, so all references to a particular FY are to the twelve month period ended March 31 of that year.

A. Business Overview of our Company

Our company is one of the leading real estate developer in Gujarat focusing more on Residential projects, Mall projects, Commercial space development and providing project related consultancy services. Promoters ventured the first project in 1997. We are a fast-growing real estate company promoted by the DEV Group, having development experience of more than a decade. Company has bull's-eye in the State of Gujarat, especially in cities like Ahmedabad, Vadodara, Nadiad and Anand, which are the emerging real estate markets in India.

We have completed 20 real estate projects of approximately having 1953036 Lacs sq. ft. We have developed a diversified portfolio of real estate development projects focusing on projects in the residential (including apartments, villas, Bungalow and plotted developments), commercial (including corporate office blocks and built-to-suit facilities), hospitality (including hotels, resorts and serviced accommodation) and retail (including shopping malls) segments of the real estate industry.

We are experienced in all aspects of the real estate development business, including land identification and acquisition, development, design, project management, sales and marketing, interiors and the provision of property services in relation to real estate developments.

Dev Group believe that we have established a strong brand image, have a successful track record of execution and a diversified portfolio of real estate projects. In the past few years, we have completed:

- 16 residential projects with a Saleable Area of 975684 sq. ft.. This includes developments such as Dev City, Dev Priya Bungalows -2, Dev Shree, Dev Kunj, Dev Ansh Bungalows, Dev Satya, Dev Deep, Dev Kutir – 2, Dev Vatika, Dev Arth, Dev Ashray, Dev Preet, Devnandan, Dev Arpan & Dev Archan ;
- 4 Commercial projects with a Saleable Area of 977352 sq. ft.. This includes developments such as Dev Complex & Dev Arc Mall Block A.;

Our Ongoing Projects include our flagship real estate development,

- *Dev Exotica*, a residential project having saleable area of 150534 Sq. Ft. located in Ghuma, Ahmedabad which is being developed by Dev Procon Limited.
- *Dev 181*, a residential project having saleable area of 183259 Sq. Ft. located in Bopal, Ahmedabad which is being developed by Dev Procon Limited.
- *Dev Status*, a residential project having saleable area of 57849 Sq. Ft. located in Paldi, Ahmedabad which is being developed by our subsidiary company Devdip Arcade Private Limited
- *Dev Mall - II*, a retail mall project having saleable area of 22039 Sq. Ft. located Jitodiya Road, Anand which is being carried out by our subsidiary company Dev Priya Infrastructure Private Limited.
- *Dev Castel*, a residential project having saleable area of 534314 Sq. Ft. located in Maninagar, Ahmedabad

which is being carried out by our group company Dev Dip Malls Developers Private Limited.

- *Dev Industrial Estate*, a Industrial Plotting Scheme having saleable area of 382983 Sq. Ft. located in Gorwa, Vadodara which is being carried out by our group company Amikrupa Reality Private Limited.

We are a fully integrated real estate development company involved in all activities associated with the development of residential and commercial real estate projects. We undertake projects through our in-house team of professionals and by partnering with reputed companies having domestic and international operations.

Dev Procon Limited is the flagship company of renowned DEV Group. Devdip Arcade Private Limited, Dhamal Estates Private Limited, DevFun point Realty Private Limited, Devpriya Infrastructure Private Limited are Subsidiary companies of Dev Procon Limited. Our Company has also other associate entities engaged in similar business.

B. Significant Development Subsequent to Last Financial Period

The Directors confirm that there have been no events or circumstances since the date of the last financial statement which materially or adversely affect or are likely to affect the operation, business or profitability of our company, or the value of our assets, or our ability to pay liabilities within next twelve months.

C. Factors affecting results of our operations

Due to the nature of real estate projects undertaken by the company, their completion schedule, nature of expenditure involved, market conditions of payment terms, and the other factors effect or income and expenditure results of operations from period to period. Thus, our financial condition and results of operations are affected by several factors and the following are of particular importance:

• General economic and business conditions ;

As company operations are in India, particularly focused around Gujarat and Maharashtra, we are affected by the general economic conditions in these states and country. The Indian economy has grown steadily over the past several years, and particularly Infrastructure and real estate sector has shown tremendous growth in last few years. This improved performance was propelled by the growth in infrastructure and service sectors. The overall economic growth and slow-down will therefore impact the results of our business and operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macroeconomic growth of the country.

However, economic developments outside India adversely affected the property market in India and our overall business in the recent past. Though the global credit market and the Indian real estate market are showing signs of recovery, economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate and construction industry.

• Performance of the real estate and construction sectors in India

We have derived significant revenues from real estate development and construction sectors. Demand for these sectors in India is currently high allowing us to expand operations. The growth for the real estate sector and construction sector is dependent on the general economic condition, performance of the property market, government policies etc. in the areas in which we operate. It is not possible to predict whether demand for commercial or residential property in the areas in which we operate in India generally will continue to grow in the future, as many social, political, economic, and legal and other factors may affect the development of this market. In the event of any unfavorable developments in the supply and demand or any decrease in property prices in the areas in which we operate or other parts in India, our business, financial condition & results of operations may be adversely affected.

• Our ability to successfully implement our strategy and our growth and expansion plans

Any delay in implementation of our strategy, growth and expansion plans could impact the Company's roll out schedules & plans & cause cost and time over runs.

• Availability for increase in cost of raw materials, labour, inputs and other factors affecting our business activity

Any changes in the factors like prices of land, prices of materials mainly consisting of steel, cement, ready mix, hardware and wood, contract and labour cost and cost of other inputs, changes in govt. policies related to

sanctioning and approval of FSI, Labour Welfare, Demand in the market, Regulatory Environment, Collection of Receivable and Payment Terms may affect our results of operation. Unforeseen construction conditions including inability to obtain government permission/approval, delay caused by suppliers and subcontractors may adversely affect results of our operations.

- **Increasing competition in the industry**

We compete against major as well as smaller Companies & Entities. Our Competition varies depending upon customers, nature of our projects and its geographical location. Additionally, our competition varies depending on size and nature of project, geographical size of region in which project is to be developed. While these are the important considerations, prize is the major factor in our business and business is subject to intense competition.

- **Changes in laws & regulations that apply to the industry and regimes**

There are some laws and regulations applicable to the industry in which we operate, which we have to Comply / follow. In case of a failure to comply with these laws and regulations or to obtain or renew the necessary permits and approvals, our business may be affected. We currently have business in two states in India. Consequently, we are subject to the jurisdictions of different tax authorities and regimes. The revenues recorded and income earned in these jurisdictions is taxed on differing basis, including VAT. The final determination of our tax liabilities involves the interpretation of local tax laws and related authorities in each jurisdiction. Changes in our operating environment, including adverse changes in any of the taxes levied by the central or state governments, could impact the determination of our tax liabilities for any given tax year.

- **Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;**

Factors such as potential terrorist attacks, acts of war or geopolitical and social turmoil in many parts of the world could constrain our ability to do business, increase the costs and negatively affect our performance. These geopolitical, social and economic conditions could result in increased volatility in India and worldwide financial markets and economy and such volatility could constrain our ability to do business.

- **Changes in the foreign exchange control regulations, interest rates and tax laws in India.**

Any change in the foreign exchange control regulation, mainly interest rates and tax laws pertaining to India & RBI monetary policy affects the liquidity of cash in the market which in turn affects the purchasing power of the economy.

As a result of the various factors discussed above that affect the income and expenditure of the Company, results of operations may vary from period to period.

D. Significant Accounting Policies

1. Basis of Preparation :

The Financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and in compliance with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India and with the relevant provisions of the Companies Act, 1956, as adopted consistently by management. All the income & expenditure having material impact on financial statements are recognized on accrual basis.

Preoperative expenses are written off over the period of five years beginning from the year of execution of sale documents.

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. Any revision to accounting estimates is recognized prospectively in the current and future years.

3. Fixed assets including intangible assets :

Fixed assets including intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

4. Depreciation / Amortisation :

Depreciation on Fixed Assets is provided on written down value Method at rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs. Depreciation on Assets acquired / disposed off during the year is provided on prorata basis with reference to the date of addition/ disposal.

5. Impairment of assets :

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

6. Investments :

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of investments.

7. Inventories :

Inventories comprising of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct and indirect expenditure, which is determined based on specific identification to the construction activity. Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the profit and loss account.

The inventory is valued at lower of the cost and net realizable value. Cost formula used by the assessee is FIFO. The construction work ongoing is shown as Construction work in progress as certified by the civil valuer regarding the cost and progress of the project.

Interest paid on term loan obtained for the Project is transferred to the construction work in progress as being the capital cost not charged to revenue.

8. Revenue Recognition :

Revenue from Real Estate Development & Sale of property is recognised when significant risk related to real estate is transferred to the buyer and/or no significant uncertainty exists regarding the amount of the consideration that will be derived from the sales. The amount received from customers which does not qualify for revenue recognition is accounted for as current liabilities under the head advance from customer.

Income from contractual activities

Revenue from other contractual activities is recognized as activities are performed, on an accrual basis, based on arrangements with concerned parties.

Contract revenue earned in excess of billing has been reflected under “Other Current Assets” and billing in excess of contract revenue has been reflected under “Current Liabilities” in the balance sheet.

Income from sale of development rights

Revenue from sale of development rights is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from sale of developed property

Revenue from sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such developed property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Income from property development

Revenue from real estate under development/ sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue is recognized on percentage of completion method, when the stage of completion of each project reaches a reasonable level of progress. Revenue is recognized in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Land costs are not included for the purpose of computing the percentage of completion.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Rent Income :

The company is earning the rent as per the agreement entered into.

9. Cost of Development :

Development costs are charged to the profit and loss account in proportion with revenue recognized during the period.

10. Borrowing costs :

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred. Interest paid against Project loan for the fund utilized on the particular project is capitalized and shown as construction work in progress.

11. Retirement and other employee benefits:

A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Short term compensated absences are provided for based on estimates.

12. Income taxes :

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961

enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Further, in situations where the Group is entitled to tax holiday, deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period, but reverse after the tax holiday period.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

13. Advances/deposits against property

Advances paid by the Group to the seller/ intermediary toward outright purchase of land is recognized as 'Advances against property' under Loans and Advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to Work in progress.

Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as deposits under Loans and Advances, unless they are non-refundable, wherein they are transferred to Work in progress on the launch of project.

14. Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for event of bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

17. Segment Reporting

The Company is engaged in the business of real estate development in India. Since, the Company's business activity primarily falls within a single business and geographical segment, no further disclosures are required, other than those already given in the financial statements.

E. DISCUSSION ON OPERATING RESULTS

The following table sets forth certain information with respect to the results of operations of the Company for the periods indicated read together with notes, accounting policies and report thereon which appear elsewhere in Draft Red Herring Prospectus:

(₹ in Lacs)									
Particulars	31.03.2006	31.03.2007	Increase/ Decrease (%)	31.03.2008	Increase/ Decrease (%)	31.03.2009	Increase/ Decrease (%)	31.03.2010	Increase/ Decrease (%)
Income									
Real Estate Dev., Contract & Other Operating Rev.	30.25	216.89	617.0	550.23	153.7	388.27	(29.4)	542.63	39.8
Increase / (Decrease) in Inventories		151.32		2686.04	1675.1	1298.15	(51.7)	1079.79	(16.8)
Other Income (Recurring)				0.69			(100.0)	0.25	
Other Income (Non-recurring)				0.04			(100.0)		
Total	30.25	368.21	1117.2	3237.00	779.1	1686.42	(47.9)	1622.67	(3.8)
Expenditure									
Cost of construction /Development		151.32		2686.04	1675.1	1298.15	(51.7)	1005.37	(22.6)
Staff Costs	0.03	30.00	99900.0	52.01	73.4	80.72	55.2	80.64	(0.1)
Administration expenses	8.06	22.79	182.9	168.24	638.3	38.75	(77.0)	205.81	431.2
Selling & Distribution expenses		137.56		58.47	(57.5)	4.21	(92.8)	4.05	(3.9)
Deferred Revenue Expenses written off	0.73	0.73		1.34	83.6	1.34		1.34	(0.0)
Total	8.82	342.40	3783.6	2966.11	766.3	1423.17	(52.0)	1297.22	(8.9)
Profit/(loss) before interest depreciation and taxes	21.43	25.81	20.4	270.89	949.6	263.25	(2.8)	325.45	23.6
Interest and finance charges	0.15	11.97	7879.0	25.31	111.4		(100.0)	11.79	
Depreciation	0.01	9.86	188785.2	25.16	155.2	28.83	14.6	24.73	(14.2)
Profit before taxes	21.28	3.98	(81.3)	220.42	5436.5	234.41	6.4	288.92	23.3
Restated Provision for taxes									
- Current Income Tax	8.49	2.07	(75.6)	58.10	2701.1	61.31	5.5	90.00	46.8
- Deferred Income Tax	0.01	(0.27)	(4805.0)	(2.54)	826.8	(3.67)	44.6	(3.56)	(2.8)
- Fringe Benefit Tax	0.01	1.02	9031.1	2.81	174.5	1.79	(36.5)		(100.0)
- Effect of adjustments on tax									
	8.51	2.82	(66.8)	58.37	1966.9	59.43	1.8	86.44	45.4
Profit/(loss) after tax but before extraordinary items	12.77	1.16	(90.9)	162.05	13903.9	174.98	8.0	202.49	15.7
Less: Goodwill written off									
Restated Profit/(loss) after tax	12.77	1.16	(90.9)	162.05	13903.9	174.98	8.0	202.49	15.7

- Analysis of Revenue**

Our revenues, referred to in our financial statements as total income comprises of income from Real Estate Development, Project Consultancy, Construction contracts, Rental/Lease income, revenue from sale of plots and share of profit/(loss) and interest on investment in partnership firm and other miscellaneous income.

- Expenditure**

Our expenditure mainly comprises of Construction & Operating Cost, Employee Cost, Selling & Distribution expenses, Administrative & Other Expenses, Interest Cost and Depreciation. Construction & Operating Cost primarily comprises of cost of steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and interior fittings, wood and other materials procured by ourselves and we look to sub-contractors mainly for labour. We generally procure construction materials from high quality and reliable suppliers in wholesale amounts or prices to effectively manage our construction activity. Our other costs are architect, interior designer and other consultant's fees related to project, other overhead costs.

Employee Cost consists payments made to the employees at all levels of the hierarchy and training and recruitment expenses, contributions to provident and other funds for the benefit of officers and employees and other welfare expenses.

Administrative and other cost comprises of expenditure incurred on power & fuel, repairs & maintenance, insurance, vehicle charges, maintaining computer systems including development/maintenance expenses for software and hardware systems utilized, Communication Cost, Electricity Expenses, Advertisement, Travelling, sales promotion, expenses incurred for day to day routine Office Expenses like Printing & Stationery, Professional Fees, Rent, Rates & Taxes and Sundry Expenses.

Interest Cost includes finance charges, covering interest paid on term loans and other loans obtained from bank, financial institutions for projects and operation, interest paid on vehicle loans and unsecured loans taken from others, as well as the related processing charges.

Depreciation is provided on straight line method and in accordance with the rates specified under schedule XIV of the companies act

Comparison of Recent Financial Years / Periods with Previous Financial Years / Periods

Comparison of the financials of the year ended on March 31, 2006 & March 31, 2007

Income

Our company is incorporated on 06-Jun-2005. Our total income from real estate development, construction & operation increased from Rs.30.25 Lacs for the year ended on 31st March 2006 to Rs.368.21 Lacs for the year ended on 31st March 2007, this increase of 1117.2% was possible due to revenue generated mainly from supervision charges for the our real estate project DEVARC MALL at Ahmedabad and due to increase in Work in progress Inventory of Baroda and anand mall projects. In the year ended on 31st March, 2006, revenue were from project consultancy and development services only.

Construction and Operating Expenses

Our company has incurred total construction and operating expenses of Rs. 151.32 Lacs for the year ended on March 31, 2007, which was of Rs. NIL at the year ended on March 31, 2006 due to receipts from project consultancy services. As the major construction and development activity of our company started in this year we have incurred this amount of expenditure.

Employee Cost

Our total Employee Cost was increased from Rs.0.03 Lacs to 30.00 Lacs for the year ended on March 31st, 2006 to the year ended on March 31st, 2007, the increase of 99900.0% was due to appointment of new employees as the new Projects were started by our company.

Administrative and Other Expenses

Our Administrative and other expenses have been increased by 182.75% , which was Rs.8.06 Lacs in the year ended on March 31, 2006 and Rs. 22.79 Lacs in the year ended on March 31,2007, which is mainly due to increase in traveling, conveyance, stationery & printing and other office expenses due to increase in business volumes.

Selling & Distribution expenses

Our company has incurred total Selling & Distribution expenses of Rs.137.56 Lacs for the year ended on March 31,

2007, which is mainly due to massive marketing existing project and brokerage given to our estate agencies.

Interest

There was an increase in our Interest Cost, which was Rs. 0.15 Lacs at the year ended on March 31, 2006 to Rs. 11.97 Lacs at the year ended on March 31, 2007. Increase in interest expenses is mainly due to changes done in finance policy of the company by company's management. Unsecured and Secured loans were taken by our company for starting new real estate development projects/operations and also for purchases of new vehicles.

Taxation

There is a fall in taxation expenses by 66.8%, which was of Rs. 8.51 Lacs in the year ended on March 31, 2006 and Rs. 2.82 Lacs in the year ended on March 31, 2007. This decrease was due to decrease in profits. Provision for deferred tax is also made.

Restated Profit after tax

Our restated profit after tax was decreased from Rs. 12.77 Lacs in the previous year to Rs.1.16 Lacs in the year ended on March 31, 2007. The above decrease was due to nature of business.

Comparison of the financials of the year ended on March 31, 2007 & March 31, 2008.

Income

Our total income from real estate development, construction & operation increased from Rs.368.21 Lacs for the year ended on 31st March 2007 to Rs.3237 Lacs for the year ended on 31st March 2008, this increase of 779.1% was possible due to revenue generated mainly from supervision charges for our real estate project DEVARC MALL at Ahmedabad, Rental income and due to increase in Work in progress Inventory of Baroda and Anand mall projects. Out of total Rs.3237.00 Lacs portion of Increase in work in progress inventory is Rs.2686.04 Lacs.

Construction and Operating Expenses

Our company has incurred total construction and operating expenses of Rs.2686.04 Lacs for the year ended on March 31, 2008, which was of Rs.151.32 at the year ended on March 31, 2007 due to receipts from construction project consultancy services. Along with that we also had started new project at Anand and Baroda.

Employee Cost

Our total Employee Cost was increased from Rs.30.00 Lacs to 52.01 Lacs for the year ended on March 31st, 2007 to the year ended on March 31st, 2008. The increased cost is due to combined effect of increase in employee strength as well as increase in inflation rate.

Administrative and Other Expenses

Our Administrative and other expenses has been increased by 638.2% , which was Rs.22.79 Lacs in the year ended on March 31, 2007 and Rs. 168.24 Lacs in the year ended on March 31,2008, which is mainly due to increase in brokerage paid, professional consultancy charges, traveling, conveyance, stationery & printing and other office expenses due to increase in business volumes.

Selling & Distribution expenses

Our company has incurred total Selling & Distribution expenses of Rs.58.47 Lacs for the year ended on March 31, 2008, compared to Rs.137.56 Lacs for the year ended on March 31, 2007. There is decrease of 57.5% in selling and distribution expenses.

Interest

There was an increase in our Interest Cost, which was Rs. 11.97 Lacs at the year ended on March 31, 2007 to Rs. 25.31 Lacs at the year ended on March 31, 2008. Increase in interest expenses is mainly due to changes done in finance policy of the company by management. Unsecured and Secured loans were taken by our company for starting new real estate development projects/operations and also for purchases of new vehicles.

Taxation

There is a rise in taxation expenses by 1969.86%, which was of Rs.2.82 Lacs in the year ended on March 31, 2007 and

Rs. 58.37 Lacs in the year ended on March 31, 2008. This increase was due to increase in profits. Provision for deferred tax is also made.

Restated Profit after tax

Our restated profit after tax was increased from Rs.1.16 Lacs in the previous year to Rs.162.05 Lacs in the year ended on March 31, 2008. The above increase is due to increase in business and good performance the real estate sector as a whole.

Comparison of the financials of the year ended on March 31, 2008 & March 31, 2009.

Income

Total Operating revenue was decreased from Rs. 3237 Lacs for the year ended on March 31st, 2008 to Rs. 1686.42 Lacs for the year ended on March 31st, 2009, this decrease of 47.9% was due to fact that major of our projects were undertaken in our group company Devdip Malls Private Limited and no new projects were undertaken in our company due to market condition. This year also witnessed significant slowdown in realty and construction industry.

Construction and Operating Expenses

Our company has incurred total construction and operating expenses of Rs.1298.15 Lacs for the year ended on March 31, 2009, which was of Rs.2686.04 at the year ended on March 31, 2008. These construction expenses were carried out at our ongoing project at Anand and Baroda. The decrease in these expenses was related to decrease in number of construction projects.

Employees Cost

Our total Employee Cost was increased from Rs.52.01 Lacs to 80.72 Lacs for the year ended on March 31st, 2008 to the year ended on March 31st, 2009, the increase of 55.2% was due to appointment of new employees as the new Projects were going to be started by our company.

Administrative and Other Expenses

Our Administrative and other expenses have been decreased by 76.97%, which was Rs.168.24 Lacs in the year ended on March 31, 2008 and Rs.38.75 Lacs in the year ended on March 31, 2009. The decline was attributable to decline in turnover and projects of company as compared to preceding year.

Interest

Interest cost decreased from Rs. 25.31 lacs in financial year ended on 31st March, 2008 to nil in the year ended on 31st March, 2009.

Depreciation

Depreciation was increased from Rs.25.16 lacs to Rs. 28.83 Lacs, the increase of 14.6% in depreciation was due to increase in fixed assets.

Taxation

There is a rise in taxation expenses by 1.8%, which was of Rs.58.37 Lacs in the year ended on March 31, 2008 and Rs. 59.43 Lacs in the year ended on March 31, 2009. This increase was due to increase in profits. Provision for deferred tax is also made.

Restated Profit after tax

Our restated profit after tax was increased from Rs.162.05 Lacs in the year ended on March 31, 2008 to Rs. 174.98 Lacs in the year ended on March 31, 2009.

Comparison of the financials of the year ended on March 31, 2009 & March 31, 2010.

Income

Total Operating revenue was decreased from Rs. 1686.42 Lacs for the year ended on March 31st, 2009 to Rs. 1622.67 Lacs for the year ended on March 31st, 2010, this decrease of 3.8% is very small one and due to nature of business.

However major revenue from new project namely Dev Exotica and Dev 181 will come in the Year 2010-11.

Construction and Operating Expenses

Our company has incurred total construction and operating expenses of Rs.1005.37 Lacs for the year ended on March 31, 2010, which was of Rs.1298.15 at the year ended on March 31, 2009. This construction expenses were carried out at our ongoing project at Anand, Baroda & Ahmedabad.

Employees Cost

Our total Employee Cost was equal to from Rs.80.72 Lacs to 80.64 Lacs for the year ended on March 31st, 2010 to the year ended on March 31st, 2009, which is almost as per line with previous year figure.

Administrative and Other Expenses

Our Administrative and other expenses has been increased by 431.2%, which was Rs.38.75 Lacs in the year ended on March 31, 2009 and Rs.205.81 Lacs in the year ended on March 31, 2010. The stiff increase is mainly due to Rent Expense. We have taken some of the property on lease basis for commercial purpose and same has let out to others.

Interest

Interest cost Expense for the year 2009-10 higher by Rs.11.79 Lacs as compared to year 2008-09. The interest cost is mainly car loan interest.

Depreciation

Depreciation was decreased from Rs.28.83 lacs to Rs.24.73 Lacs, the decrease of 14.2% in depreciation was due to its nature of transaction and there is no major fixed asset addition in the year 2009-10.

Taxation

There is a rise in taxation expenses by 45.4%, which was of Rs.59.43 Lacs in the year ended on March 31, 2009 and Rs. 86.44 Lacs in the year ended on March 31, 2010. This increase was due to increase in profits.

Restated Profit after tax

Our restated profit after tax was increased from Rs.174.98 Lacs in the year ended on March 31, 2009 to Rs.202.49 Lacs in the year ended on March 31, 2010.

F. Information required as per Item (2)(IX)(E)(5) of Part A of Schedule VIII to the SEBI Regulations

• Unusual or infrequent events or transactions

There have been no events, other than as described in this Draft Red Herring Prospectus, which may be called “unusual” or “infrequent” and have significantly affected operations of the company.

• Significant economic changes that materially affected or are likely to affect income from continuing operations

Any slowdown in the growth of Indian economy & market and future volatility in prices of material and labour, Interest Rates, Regulatory requirement could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

• Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

There are no known trends or uncertainties that may have material adverse impact on the income, costs and profits of the company from continuing operations except as described in the section titled “Risk Factors” of the prospectus.

• Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than described in the section titled “Risk Factors” and “Managements Discussion and Analysis of Financial Conditions and Results of Operation” in this Prospectus, to our knowledge there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues.

- **Total Turnover of each major industry segment in which the company operated.**

Company operates only in one industry segment i.e. “Real Estate Development and Construction Industry”.

- **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices**

Changes in revenues during the last three fiscal years are explained in “Management’s Discussion and Analysis of Financial Condition & Results of Operations” under the subsections “Comparison of the financial performance of FY 2010 with FY 2009, “Comparison of the financial performance of FY 2009 with FY 2008” and “Comparison of the financial performance of FY 2008 with FY 2007” under the respective paragraphs titled “Income”.

- **Status of any publicly announced new product/ Projects.**

Company has not announced any new project or business segment.

- **The extent to which the business is Seasonal**

Our business is not seasonal but having some cyclical trends as observed in the past in this industry.

- **Any significant dependence on a single or few suppliers or customers**

The company is dependent on major suppliers providing Cement, Steel and labour contractors; however company does not foresee any difficulty in getting support from these suppliers considering past track record.

Revenue of the company is largely dependent upon variety of customers for various projects, but as the company has excellent relations with existing clientele as well as company has maintained its brand image by providing excellent quality of projects, it does not foresee any difficulty in getting customers.

- **Competitive conditions**

The operations of Company do not face significant competition due to Excellent existing customer base as well as expansion of new clientele base. However the company will face competition from existing as well as new players from this industry in the long run.

FINANCIAL INDEBTNESS

Set forth below is a brief summary of the secured borrowings of our company as on 31st March 2010. Same details is taken from Auditor's restated standalone financials.

Standalone Summary Statement Of Terms And Conditions Of Secured Loans,

Particulars	(Rs. in lacs)				
	Outstanding as At				
	31.03.10	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Term Loans	6046.94	7005.44	3344.21	899.92	0.00
Working Capital Facilities	115.66	202.64	203.01	90.24	0.00
Vehicle Loans	79.98	45.83	81.13	37.57	0.00
Total Secured Loans	6242.57	7253.90	3628.35	1027.74	0.00

Standalone Detailed Statement Of Terms And Conditions Of Secured Loans,

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
1	Central Bank Of India	Term Loan	New Projects	2500.00	1262.64	Repayment is in 24 equal monthly instalment each of Rs 1.04Crore from April 2008.	BPLR Less 0.50% (I.e. 13%)	<p>1) Legal Mortgage of Land at Plot No 279 & 280 at Survey No 454 + 453/4, T.P. Scheme No. 9 & building constructed/ to be constructed thereon at Lambhvel Road, Anand admeasuring 15415.24 Sq. Yds. owned by Dev Arcade Pvt. Ltd for ANAND Project.</p> <p>2) Legal Mortgage of Land at Plot No 504 & Building constructed / to be constructed thereon situated at Nr. Akshar Chowk, Old Padra Road, Atladra, Baroda admeasuring 24206.82 Sq. Yds to be purchased by Dev Arcade Pvt. Ltd.</p> <p>3) Hypo of Plant & Machineries/Equipments/Stock of Materials/Other movables assets (both present and future) of the project.</p>
2	Central Bank OF India	Drop Lind OD	New Projects	5000.00	4050.06	DP will be reduced by Rs.2.50 Crores at the end of every quarter starting	BPLR i.e 13% pa	Legal Mortgage of Land & Building situated at Moje Sola, Taluka : Dascroi, Sub District Ahmedabad 2 detailed as under.

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
						from the subsequent quarter after the first drawl thereby limits will be got adjusted in 20 quarters.		Sr No. Survey No. Area in sq.mtrs. 1 321 7993 2 323/1/2 1871 3 323/2 3743 4 328/1/2/3 3137 5 322 3136 6 18/1/2/3 5564 Total 25444 i.e. 30431 sq.yds.
3	Kotak Mahindra Bank Loan	Term Loan	Term Loan	350.00	217.8	36 EMI of Rs .12.74 Lacs each	KMBL PLR +0.75 (i.e. 18.50%)	1)Registered mortgage of commercial NA land Rev Survey No 323/1/1 FP No - 141/1/1 TPS No 43 at sala Taluka - Daskro Near Fun Point Club, Near Kagil Petrol Pump Ahmedabad admeasuring area 1124 Square Meter. 2)Registered mortgage of NA land Block No 12 FP 13 qps No 52 at ambli Taluka Daskroi Near Dev kutir Bunglow Ahmedabad admeasuring area 1397 Square meter. 3) Registered mortgage of residential NA land Block No. - 35/ at Manipur Taluka- Sanand. Dist -Ahmedabad admeasuring area 4654 Square Meters. 4) Assignment in favour of KMBI of I. I. policy with FYP of Rs. 10 lacs.
4	Punjab National Bank	Project loan	New Projects	1200.00	516.43	To be Repayable in 6 Equal Quaterly Installment of Rs.200 Lacs from Mar 2012 to Jun 2013	13.5	Legal mortgage of land at plot no 1, 2 and 93 and 94, block no 189,190,191,192,194-A situated at Ghuma Village, sanand road, Ahmedabad.
5	Axis Bank Ltd	Working Capital Loan	Overdraft	200.00	115.66	NA	15%	Plot No.2 in Arjay Co-op Housing Society Ltd under TP Scheme No. 6 and final Plot No184 for residential purpose situated at Vejalpur Gram Seem at Survey No.1116/1-2-3 admeasuring 418-6 sq. mts and construction permission for 226 sq. mts thereon standing in the name of Mrs. Ritaben Sanjaybhai Thakkar.
6	HDFC	Vehicle	Car Loan	45.60	40.53	Repayment is in 36 equal	16.50%	Hypothecation of the Vehicle

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
	Bank Ltd.	Loan				monthly installment each of Rs 1.61 Lacs		
7	HDFC Bank Ltd.	Vehicle Loan	Car Loan	7.90	4.52	Repayment is in 36 equal monthly installments each of Rs 0.26 Lacs from December 2008.	12.86%	Hypothecation of the Vehicle
8	HDFC Bank Ltd.	Vehicle Loan	Car Loan	39.00	34.93	Repayment is in 36 equal monthly installment each of Rs 1.25 Lacs	10.25%	Hypothecation of the Vehicle
	TOTAL			9342.5	6242.57			

Standalone Summary statement of Unsecured Loans

Particulars	(Rs. in lacs)					Interest %	Repayment Terms
	AS On 31.03.2010	AS On 31.03.2009	AS On 31.03.2008	AS On 31.03.2007	AS On 31.03.2006		
From Directors, Share holders & their Relatives	652.64	7155.17	3732.82	2250.52		Interest Free	Payable on Demand
From Subsidiary Companies						Interest Free	Payable on Demand
From Associates & Group Companies	3096.31	443.94				Interest Free	Payable on Demand
From Inter Corporate Deposits	1551.18	100.00				Interest Free	Payable on Demand
Total	5300.13	7699.11	3732.82	2250.52			

Set forth below is a brief summary of the secured borrowings as on 31st March 2010. Same details is taken from Auditor's restated consolidated financials.

Consolidated Summary Statement of Secured Loans

Particulars	(Rs. in lacs)
	Outstanding as At 31.03.10
Term Loans	8222.84
Working Capital Facilities	115.66
Vehicle Loans	79.98
Total Secured Loans	8418.47

Consolidated Detailed Statement Of Terms And Conditions Of Secured Loans,

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security																								
1	Central Bank Of India	Term Loan	New Projects	2500.00	1262.64	Repayment is in 24 equal monthly instalment each of Rs 1.04Crore from April 2008.	BPLR Less 0.50% (I.e. 13%)	1)Legal Mortgage of Land at Plot No 279 & 280 at Survey No 454 + 453/4, T.P. Scheme No. 9 & building constructed/ to be constructed thereon at Lambhvel Road, Anand admeasuring 15415.24 Sq. Yds. owned by Dev Arcade Pvt. Ltd for ANAND Project. 2) Legal Mortgage of Land at Plot No 504 & Building constructed / to be constructed thereon situated at Nr. Akshar Chowk, Old Padra Road, Atladra, Baroda admeasuring 24206.82 Sq. Yds to be purchased by Dev Arcade Pvt. Ltd. 3) Hypo of Plant & Machinerries/Equipments/Stock of Materials/Other movables assets (both present and future) of the project.																								
2	Central Bank OF India	Drop Lind OD	New Projects	5000.00	4050.06	DP will be reduced by Rs.2.50 Crores at the end of every quarter starting from the subsequent quarter after the first drawl thereby limits will be got adjusted in 20 quarters.	BPLR i.e 13% pa	Legal Mortgage of Land & Building siuated at Moje Sola, Taluka : Dascroi, Sub District Ahmedabad 2 detailed as under. <table><tr><td>Sr No.</td><td>Survey No.</td><td>Area in sq.mtrs.</td></tr><tr><td>1</td><td>321</td><td>7993</td></tr><tr><td>2</td><td>323/1/2</td><td>1871</td></tr><tr><td>3</td><td>323/2</td><td>3743</td></tr><tr><td>4</td><td>328/1/2/3</td><td>3137</td></tr><tr><td>5</td><td>322</td><td>3136</td></tr><tr><td>6</td><td>18/1/2/3</td><td>5564</td></tr><tr><td colspan="2">Total</td><td>25444 i.e. 30431 sq.yds.</td></tr></table>	Sr No.	Survey No.	Area in sq.mtrs.	1	321	7993	2	323/1/2	1871	3	323/2	3743	4	328/1/2/3	3137	5	322	3136	6	18/1/2/3	5564	Total		25444 i.e. 30431 sq.yds.
Sr No.	Survey No.	Area in sq.mtrs.																														
1	321	7993																														
2	323/1/2	1871																														
3	323/2	3743																														
4	328/1/2/3	3137																														
5	322	3136																														
6	18/1/2/3	5564																														
Total		25444 i.e. 30431 sq.yds.																														
3	Kotak Mahindra Bank Loan	Term Loan	Term Loan	350.00	217.8	36 EMI of Rs .12.74 Lacs each	KMBL PLR +0.75 (i.e. 18.50%)	1)Registered mortgage of commercial NA land Rev Survey No 323/1/1 FP No - 141/1/1 TPS No 43 at sala Taluka - Daskro Near Fun Point Club, Near Kagil Petrol Pump Ahmedabad admeasuring area 1124 Square Meter. 2)Registered mortgage of NA land Block No 12 FP 13 qps No 52 at ambli Taluka Daskroi Near Dev kutir																								

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
								Bungalow Ahmedabad admeasuring area 1397 Square meter. 3) Registered mortgage of residential NA land Block No. -35/ at Manipur Taluka- Sanand. Dist -Ahmedabad admeasuring area 4654 Square Meters. 4) Assignment in favour of KMBI of I. I. policy with FYP of Rs. 10 lacs.
4	Punjab National Bank	Project loan	New Projects	1200.00	516.43	To be Repayable in 6 Equal Quaterly Installment of Rs.200 Lacs from Mar 2012 to Jun 2013	13.5	Legal mortgage of land at plot no 1, 2 and 93 and 94, block no 189,190,191,192,194-A situated at Ghuma Village, sanand road, Ahmedabad.
5	Axis Bank Ltd	Term Loan	New Projects	700.00	241.50	To be Repayable in 17 monthly installments of Rs. 38.89 Lacs each and last installment of Rs. 38.87 Lacs. Repayment to commence from October 2008. Interest to be serviced on a monthly basis.	BPLR+1.75% i.e. 13.00% p.a. payable monthly as and when debited.	<u>Primary</u> (1) Exclusive first charge by way of Equitable mortgage of proposed building structure including land admeasuring 2226 sq. mtrs bearing Revenue Survey No. 1236/2, situated, lying & being within the village limit of Mouje: Anand and District: Anand belonging to Devpriya Infrastructure Pvt. Ltd. (2) Hypothecation charge over the entire receivables & moveable fixed assets of the project called "Dev Grand Mall-II" in Anand. (3) Negative lien on saleable units of the project "Dev Grand Mall-II" in Anand. <u>Collateral</u> Extension of equitable mortgage on F.P. no. 4/1 of T.P. scheme no. 52 of Ambli, Opp. Dev Kutir Bangalow-II, Near Bopal Main Road admeasuring 7965.36 sq. yds. Owned by smt. Ritaben S. Thakkar <u>Guarantees</u> Personal Guarantee of Shri Sanjay Thakkar & Shri Deepak Thakkar. Corporate Guarantee of M/s Dev Arcade Private Limited.

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
								Personal Guarantee of Smt. Ritaben S Thakkar as owner of the property offered as collateral.
6	Central Bank Of India	Term Loan	New Projects	1500.00	1250.45	Repayable in 71 structured monthly installments. The first such installment will commence from October, 2010.	BPLR+1% i.e. 13.00% p.a. at present, payable monthly.	<p><u>Primary Security</u> (1)Legal Mortgage on land, admeasuring 2629 Sq. Mtrs., situated at Final Plot No.141/2, T. P.Scheme No. 43, Mouje Sola, Fun Point Club, Near Gujarat High Court, S.G. Highway, Tal. Dascroi, Sub Dist. Ahmedabad (Vadaj), Dist. Ahmedabad, and buildings constructed/to be constructed thereon, in the name of Devfun Point Reality Pvt. Ltd. (2)Hypothecation of furniture & fixtures, Air Condition Machines, Lifts, other Plant & Machineries, Equipments, Stocks of Materials and other movable assets (both present & future) of the company.</p> <p><u>Guarantees</u> Personal Guarantee of Mr. Sanjay H Thakkar & Mrs. Ritaben S. Thakkar. Corporate Guarantee of Dev Procon Private Limited.</p>
7	Axis Bank Ltd	Term Loan	New Projects	583.00	510.30	EMI of Rs. 748445/- to commence from the month next to the date of disbursement on 22nd day of every month.	BPLR + 2.75% i.e 13.00% p.a. at present at monthly intervals subject to changes from time to time. (BPLR is currently 15.75 %)	<p><u>Primary</u> Hypothecation of future rent receivables from M/s. Home Care Retail Marts Private Limited. And M/s. Cinemax (I) Ltd. From the property mentioned below.</p> <p><u>Collateral</u> Equitable Mortgage of commercial property belonging to Devdip Arcade Pvt. Ltd. situated at plot no. 406, T.P. no. 6,(sub plot no.1,2,3 Survey no. 1431) and building constructed thereon known as "Dev Arc Mall" at Opp. Annapurna Hall, Vikas Gruh Road, Off. Ashram, Nr. Dharnidhar Derasar, Ahmedabad, owned by Devdip Arcade Pvt. Ltd. in Bank's favour.</p> <p><u>Guarantees</u> Personal guarantees of Mr. Rajkumar Motumal Chainani and Mrs. Pushpa Rajkumar Chainani.</p>

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
8	Axis Bank Ltd	Term Loan	New Projects	230.00	173.65	EMI of Rs. 329306/- to commence from the month next to the date of disbursement on 22nd day of every month.	BPLR + 2.75% i.e 13.00% p.a. at present at monthly intervals subject to changes from time to time. (BPLR is currently 15.75 %)	<p>Primary Hypothecation of future rent receivables from M/s. Home Care Retail Marts Private Limited. And M/s. Cinemax (I) Ltd. From the property mentioned below.</p> <p>Collateral Equitable Mortgage of commercial property belonging to Devdip Arcade Pvt. Ltd. situated at plot no. 406, T.P. no. 6,(sub plot no.1,2,3 Survey no. 1431) and building constructed thereon known as "Dev Arc Mall" at Opp. Annapurna Hall, Vikas Gruh Road, Off. Ashram, Nr. Dharnidhar Derasar, Ahmedabad, owned by Devdip Arcade Pvt. Ltd. in Bank's favour.</p> <p>Guarantees Personal guarantees of Mr. Rajkumar Motumal Chainani and Mrs. Pushpa Rajkumar Chainani.</p>
9	Axis Bank Ltd	Working Capital Loan	Overdraft	200.00	115.66	NA	15%	Plot No.2 in Arjay Co-op Housing Society Ltd under TP Scheme No. 6 and final Plot No184 for residential purpose situated at Vejalpur Gram Seem at Survey No.1116/1-2-3 admeasuring 418-6 sq. mts and construction permission for 226 sq. mts thereon standing in the name of Mrs. Ritaben Sanjaybhai Thakkar.
10	HDFC Bank Ltd.	Vehicle Loan	Car Loan	45.60	40.53	Repayment is in 36 equal monthly installment each of Rs 1.61 Lacs	16.50%	Hypothecation of the Vehicle
11	HDFC Bank Ltd.	Vehicle Loan	Car Loan	7.90	4.52	Repayment is in 36 equal monthly installments each of Rs 0.26 Lacs from December 2008.	12.86%	Hypothecation of the Vehicle
12	HDFC Bank Ltd.	Vehicle Loan	Car Loan	39.00	34.93	Repayment is in 36 equal monthly installment	10.25%	Hypothecation of the Vehicle

Index No.	Name of Bank	Nature of Loan	Purpose of Loan	Sanction Amount (Rs. In Lacs)	Outstanding As on 31.03.2010 (Rs. In Lacs)	Installment Amount Repayment / Reschedulement	Rate of Interest	Security
						each of Rs 1.25 Lacs		
	TOTAL				8,418.47			

Consolidated Statement of Unsecured Loans

(Rs. In Lacs)

Particulars	AS On 31.03.2010	Interest %	Repayment Terms
From Directors, Share holders & their Relatives	2263.22	Interest Free	Payable on Demand
From Subsidiary Companies		Interest Free	Payable on Demand
From Associates & Group Companies	3515.97	Interest Free	Payable on Demand
From Inter Corporate Deposits	1551.18	Interest Free	Payable on Demand
Total	7330.37		

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The Issuer Company certifies that except as stated herein, there is no:

- a. Litigations against the issuer or against any other company whose outcome could have a materially adverse effect of the position of the issuer;
- b. Litigations against the directors involving violation of statutory regulations or alleging criminal offence;
- c. Any criminal/ civil prosecution against the directors for any litigation towards tax liabilities.
- d. Pending proceedings initiated for economic offences against the issuer or its directors along with their present status;
- e. Adverse findings, if any, in respect of the issuer as regards compliance with the securities laws.
- f. The past cases in which penalties were imposed by the authorities concerned on the issuer or its directors;
- g. Outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of the issuer, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc.;
- h. Pending litigations, disputes, defaults, non payment of statutory dues, over dues to banks or financial institutions, defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board or stock exchanges against the issuer or its directors;

1. UNDER CRIMINAL LAWS:

- a) Cases filed by the Company – Nil
- b) Cases filed against the Company - Nil
- c) Cases filed by the Promoters

Sr. No	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	F.I.R. No.244/2008 (Cri. Misc. Appli.No. /2008 filed by Sanjay Hiralal Thakker – Promoter in Gujarat High Court..	May - 2008	Ramjibhai Purshottambhai Patel, Sanjay Hiralal Thakker V/s. State of Gujarat, Mihir Harshadbhai Patel.	Gujarat High Court.	Sanjay Hiralal Thakker-Promoter has filed the Cri.Misc.Appli. U/s.482 of Cri.Procedure Code for quashing the complain being F.I.R.No. 244/2008 registered with Navrangpura Police Station in respect of property situated at Devnandan, Ghatlodia, Survey No. 190 Paiki, F P No. 144 Paiki, T P No. 18.. The said F.I.R. is filed U/s.420, 468,471 and	Nil.	Pending for hearing .	Pending	No adverse effect on the Company.

					114 of Indian Penal Code. The Cri.Misc. Appli. is filed before the Gujarat High Court and the Hon. Gujarat High Court has admitted the matter and has also granted stay against the property and passed order for further investigation.				
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d) Cases filed against the Promoters

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	Appication before Joint Commissioner of Police, Ahmedabad-Sector-I	16-06-2009	Mohib Khericha Versus Dipak Ajitbhai Thakkar and Sanjay Hiralal Thakker .	Police Inspector – Satelite Police Station.	Application was filed by Mohib Khericha against the Sanjay Thakkar & Dipak Thakkar on 18-6-2009 allgedly claiming Shop No. 212 and 213 in Dev Arc Complex. The said application is filed for cheating and breach of trust.. Against the said application, the inquiry was held by Satelite Police Station and all documents were seen by Police Inspector Shri M.H. Vasani. After detailed investigation, the so-called complaint was wrong filed and no case was made out. It was further concluded that no consideration was paid by the Complainant and therefore the said application was dismissed on 16-7-2009 by the Police Inspector- M.H. Vasani, Satelite Police Station. In the said Society, Mr. Dipak Thakkar is the Office- bearers.	Property involved .	Disposed off.	Dismiss	No adverse effect as case is not registered and application is also dismissed.
(2)	F.I.R. No. 86 of 2010	21-04-2010	Rajeshvariben through her power of Attorne	Sola Police Station and District Court, Ahmedb	F.I.R. is filed by Rajeshvariben against the Directors of the Company namely Fun Point Resort Pvt Ltd. Under I.P.C. 406, 420, 467, 471 and 114 for their equity shares. In the said	7998 Equity Shares (worth Rs 4.40 lacs as per the	Pending	Investigation is going on.	No adverse effect on the Company as

			y Holder Shri Ramesh bhai Ishvarbh ai Patel against Balvant bhai P. Patel, Dipak Thakkar , Naiya Thakkar & Others.	ad	matter, the Directors Dipak A. Thakkar and Naiya Thakkar have submitted their documents before Investigating Officer.	agreeme nt) of Fun Point Resort Pvt Ltd is involved			the case is filed again st the associ ate compa ny.
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- e) Cases filed by the Directors- Nil
f) Cases filed against the Directors - Nil
g) Cases filed by the Group Companies/associate concerns - Nil
h) Cases filed against the Group companies/associate concerns

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	F.I.R . No. 86 of 2010	21-04-2010	Rajeshvariben through her power of Attorney Holder Shri Rameshbhai Ishvarbhai Patel against Balvantbhai P. Patel, Dipak Thakkar, Naiya Thakkar & Others.	Sola Police Station and District Court, Ahmedabad	F.I.R. is filed by Rajeshvariben against the Directors of the Company namely Fun Point Resort Pvt Ltd. Under I.P.C. 406, 420, 467, 471 and 114 for their equity shares. In the said matter, the Directors Dipak A. Thakkar and Naiya Thakkar have submitted their documents before Investigating Officer.	7998 Equity Shares (worth Rs 4.40 lacs as per the agreement) of Fun Point Resort Pvt Ltd is involved	Pending	Investigation is going on.	No adverse effect on the Company as the case is filed against the associate company.

2. UNDER SECURITIES LAWS:

- a) Cases filed by the Company - Nil
b) Cases filed against the Company- Nil
c) Cases filed by the Promoters- Nil
d) Cases filed against the Promoters - Nil
e) Cases filed by the Directors- Nil
f) Cases filed against the Directors- Nil
g) Cases filed by the Group Companies/associate concerns- Nil
h) Cases filed against the Group companies/associate concerns - Nil

3. UNDER TAX LAWS:

a) Cases filed by the Company

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	No demand notice.	15-03-2007	Dev Procon Ltd (Formerly known as Dev Arcade Private Limited) Vs. Service Tax Deptt.	Service Tax Department	The Asstt. Commissioner – Service Tax has visited to the Office of the Company and has shown the Search Warrant No. 52/2006-2007 dtd. 15-3-2007 and during their search, the Company has paid Rs.7,00,000-00 towards Service Tax. No demand of Show Cause Notice is issued by Service Tax Deptt. Till date	Rs.7,00,000-00	Pending for hearing.	Pending	No adverse effect on the Company as no demand notice thereafter is issued till date.

b) Cases filed against the Company- Nil

c) Cases filed by the Promoters

Sr. No.	Case No(s).	Institution Date	Parties	Authority	Subject matter and Relief sought.	Amount involved in (Rs.)	Present status	Status as on date	Likely adverse effect on the financials of issuer company.
(1)	Appeal U/s.153 (A) (B) of Income Tax Act	29-12-2006	Sanjay Hiralal Thakker Vs. Income Tax Deptt. Ritaben Sanjaybhai Thakker Vs. Income Tax Deptt. Dipak A.Thakkar V/s Income Tax	Income Tax Tribunal.	Appeal is preferred by Promoters Sanjay Hiralal Thakker, and Dipak A.Thakkar against Income Tax Department for the Assessment Year as under. The Income Tax Department has demanded the tax liability against which the amount is paid with protest and appeals are filed as under for the following Assessment Years. Miloni Enterprise and Dev Enterprise are the Partnership Firms in which Sanjaybhai H. Thakkar and Others are the partners of the Firms and they are Promoters of the Company have filed the Appeal against the Income Tax Deptt. for the Assessment Year as under. The Income Tax Department has demanded the tax liability against which the amount is paid with protest	Rs.1,53,89,399/-	Pending for hearing.	Pending	No adverse effect as the amount of tax(disputed) has been already paid.

			Deptt.	and appeals are filed as under for the following Assessment Years.					
				SHRI SANJAY H. THAKKAR					
				Assessment	Income Tax	I.T. Demand			
				Year	Demand	Paid			
				1998-99	49767	91767			
				1999-2000	457033	457033			
				2000-2001	7276623	6653148			
				2001-2002	2755233	2755233			
				2002-2003	777292	777292			
				2003-2004	336177	336177			
				2004-2005	825074	825074			
						623475			
					12477199	12519199			
				SHRI DIPAK A. THAKKAR					
				Assessment	Income Tax	I.T. Demand			
				Year	Demand	Paid			
				2003-2004	1178727	228000			
				2004-2005	469381	90000			
				2005-2006	3722866	722000			
						700000			
					5370974	1740000			
				MILONI ENTERPRISE – Partnership Firm					
				Assessment	Income Tax	I.T. Demand			
				Year	Demand	Paid			
				2004-2005	2580673	1095200			
				DEV ENTERPRISE – PARTNERSHIP FIRM.					
				Assessment	Income Tax	I.T. Demand			
				Year	Demand	Paid			
				2004-2005	350000	35000			

- d) Cases filed against the Promoters- Nil
e) Cases filed by the Directors- Nil
f) Cases filed against the Directors- Nil
g) Cases filed by the Group Companies/associate concerns

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer

(1)	No demand notice.	15-03-2007	Dev Dip Builders Pvt.Ltd. Vs. Service Tax Deptt.	Service Tax Department	The Asstt.Commissioner – Service Tax has visited the Office of the Company and has shown the Search Warrant No. 52/2006-2007 dtd. 15-3-2007 and during their search, the Company has paid Rs.1,00,000-00 towards Service Tax. No demand of Show Cause Notice is issued by Service Tax Deptt. Till date.	Rs.1,00,000-00	Pending for hearing.	Pending	No adverse effect on the Company as no demand notice thereafter is issued till date.
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h) Cases filed against the Group companies/associate concerns – Nil

4. UNDER CIVIL LAWS

a) Cases filed by the Company – Nil

b) Cases filed against the Company

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	Arbitration Matter.	January-2009	Infinity Retail Ltd. Vs. Dev Procon Ltd (Formerly known as Dev Arcade Private Limited)	Before the Arbitrator Retd.Honorable Justice Mr. C.K.Thakker of Supreme Court of India.	The said arbitration proceedings are going on between Infinity Retail Ltd. (Croma) against Dev Procon Ltd. The said dispute is regarding the execution of Lease Agreement on the basis of Memorandum of Understanding signed between the parties. The lease hold premises situated and lying at Dev Arc Complex, Nr. Fun Republic, Satellite, Ahmedabad. The Infinity Retail has filed the claim of Rs. 22 crore against Dev Procon Ltd The Dev Procon Ltd has filed their detailed reply. The matter is pending before Arbitral Tribunal.	Rs.22. crores	Framing Issues	Pending.	Adverse effect on the financial of the Company if order comes against the company, Our company has to pay Rs. 22 Crore.
(2)	MACT NO. 113/2010	29-03-2010	Gopalbhai Alabhai Dabhi & Others	Motor Accident Claim Tribunal, City Civil Court-	Gopalbhai Alabhai Dabhi and Others have filed M.A.C.T. Case No. 113/2010 against the Opponent Company and IFCO TOKYO &	The amount of Rs.35,00,000-00 is	Pending for reply of Opponents.	Pending	No adverse effect on the company

			Vs. Raghubhai Kanabhai Bhavard, Dev Procon Ltd (Formerly known as Dev Arcade Private Limited) & Others	Ahmedabad	GENERAL INSURANCE COMPANY for the claim of Rs. 35,00,000-00 for the accident occurred of a Motor car No. GJ-KA-3132. The said accident is occurred on 21-1-2010. The claim is filed against the Opponent.	claimed.			because our company has obtained the valid Insurance policy of IFCO TOKYO GENERAL INSURANCE and the said policy covers Third Party risk.
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c) Cases filed by the Promoters-

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	Reg. C.S. No.23/2010	11-01-2010	Sanjay Hiralal Thakker V/s. Devjibhai Virjibhai Patel & Others	Baroda District Court	Shri Sanjay Hiralal Thakker has filed the Civil Suit No. 715/2009 against Devjibhai Patel & Others. The said suit has filed for permanent injunction. The said suit is filed for the property lying and situated at District Sub-District Baroda, Taluka Baroda, Mouje Atladara, having its Survey No. 504 and City Survey No.1397.	Nil – Property involved.	Pending for service of summons.	Pending	No adverse effect as the case is not filed by the Company
(2)	Sp.Civil Suit No.23/2010	11-01-2010	Sanjay Hiralal Thakker V/s. Devjibhai Virjibhai Patel &	Baroda District Court	Shri Sanjay Hiralal Thakker has filed the Civil Suit No. 23/2010 against Devjibhai Patel & Others. The said suit has filed for Specific Performance of the Contract and cancellation of the Sale-deed. The said suit has filed for the property lying and situated at District Sub-District Baroda, Taluka Baroda, Mouje Atladara,	Property involved or recovery of Rs.20. Crores by way of damage	Pending for service of summons.	Pending	No adverse effect on the Company as the case is not filed by the Company.

			Others		having its Survey No. 504 and City Survey No.1397. In the alternative remedy, Rs.20. Crores is prayed for the damages.	es			
(3)	Appeal No. 53/2010	09-03-2010	Gokul Co.op. Housing Society Ltd. Vs/. Pragnesh Trivedi & Others	Guj.Stat e Co.op.Tribunal	Appeal has filed by the Society through its Chairman-Sanjay Hiralal Thakker against the order passed by the Learned Board of Nominees in Lavad Suit No. 704/2009. The subject matter is regarding the Election of the Managing Committee of the Society. The Hon. Tribunal has granted status-quo.	Nil	Reply is to be filed by the Opponent.	Pending	No adverse effect on the Company, as the matter relates to the Society.

d) Cases filed against the Promoters

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	357/2006	14-02-2007	Shiviben D/o.Ma naji Thakor Vs. Dhuliben & Dev Arc (Jodhpur) Com. Co.op. Society Ltd.	Rural District Court, Ahmedabad.	The said Civil Suit has filed by Shiviben against Late Dhuliben and Dev Arc Jodhpur Commercial Co.operative Society Ltd.. This said society has constructed Dev Arc Mall on above land. The person who has filed the suit is claiming her rights in the above land and claiming undivided share in the land - District Sub-District Ahmedabad, Taluka City, Mouje Vejalpur, having its Revenue Survey No.1005 and the said land is owned and possessed by the Society and the person claiming in the said land was not shown as the Co-owner in the said property and the said person is claiming after 45 years and challenging the Entry of 1966. In the said matter, the Society has filed the reply and the matter is pending before the Court. In the Society - Ritaben Sanjaybhai Thakker is a	Nil-Property involved	Pending for hearing of Injunction Application.	Pending	No adverse effect on the Company because property is owned by Co.op. Society.

					Chair Person and Shri Deepakbhai Ajitbhai Thakker is the Secretary.				
(2)	880/2008	01-05-2008	Niruben Dantani, Arunaben Dantani Vs. Dev Arc (Jodhpur) Com. Co. op. Society Ltd.	Ahmedabad City Civil Court, Ahmedabad	Niruben Dantani, Arunaben Dantani and others have filed C.M.A.No.200/2008 for obtaining probate of late Shri Budhalal Chhotalal Zaveri and claiming one of the property of District Sub-District Ahmedabad of City Taluka, Mouje Vejalpur, having its Revenue Survey No.1005. The said property is owned and possessed by Dev Arc Jodhpur Commercial Co-operative Society Ltd. The Society has purchased the said land by virtue of the Sale-deed. The said Society has filed their objections and reply. The said Society is the owner and has developed the said land and constructed the building in the name of Dev Arc Mall and allotted the shops and offices to their members. The Society has filed the objections in the above matter and by virtue of that; the C.M.A. was converted into C.S.No.880/2008 which is pending in the Civil Court, Ahmedabad. In the said Society, Ritaben Sanjaybhai Thakker is a Chair Person and Deepak Ajitbhai Thakker is the Secretary	Nil – Property involved.	Pending for issue.	Pending	No adverse effect on the Company because property is owned by Co.op. Society.
(3)	237/2010	20-04-2010	Dashrathbhai Amthabhai Desai Vs. Nemina Builders, No. 2-Sanjay Hiralal Thakkar and Others	Rural District Court, Ahmedabad	Dashrathbhai Amthabhai Desai has filed the Civil Suit against Neminath Builders and Sanjay Hiralal Thakkar and Others. The said Suit has filed for the property lying and situated at District Sub-District Ahmedabad, Taluka Daskroi, Mouje Bopal, having Block No. 338, Tenament No. 97 of Devdarshan Tenaments, Nr. J.B.Park, Ambali-Bopal Road. The said suit has filed under Specific performance of the Contract	Nil – Property involved	Pending for reply	pending	No adverse effect on the Company

e) Cases filed by the Directors- Nil

f) Cases filed against the Directors- Nil

g) Cases filed by the Group Companies/associate concerns

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer company
(1)	Sp.Civil Suit No.147/2009	17-12-2009	Devpriya Infrastructure Pvt. Ltd. Vs. Adlabs Films Ltd.	District Court, Anand	Devpriya Infrastructure Pvt. Ltd. has filed the suit against Adlabs Films Ltd. for recovering the amount and the suit has filed under Specific Performance of the Contract.	Rs.3,86,63,222 /-	Reply is to be filed	Pending	Suit is for recovering the amounts. No Adverse effect on the company as case is filed by the Group Company.

h) Cases filed against the Group companies/associate concerns

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer company
(1)	166/2004	14-07-2004	Pratapbhai Atmarambhai Thakor V/s. Melabhai Od & Devprit Luxurious Apartments & Shops Developers	Rural District Court, Ahmedabad	The said suit has filed by Pratapbhai and Madhabhai against Devpreet Luxurious Apartments and Developers. The said suit has filed for declaration and permanent injunction. In the said suit, the reply is filed by the Defendant and the said matter is pending before the Court.	Nil-Property involved.	Rejoinder is to be filed.	Pending	Property is owned by Devprit Luxurious Apartments & Shops Developers.

(2)	837/2006 / M.C.A. No.136/2007	December - 2006	Maganbhai Laljibhai Patel Vs. Auda , Devarc Mall, Sanjaybhai Thakker	Rural District Court, Ahmedabad.	That Maganbhai Laljibhai Patel has filed the Civil Suit No. 837/2006 against AUDA and Dev Arc Mall and Sanjaybhai Hiralal Thakker is made a party to the proceedings. The said suit is filed for Revenue Survey No. 1005 of Mouje Vejalpur for finalizing the T.P.Scheme. The District Court refused to grant injunction and thereafter the party has filed M.C.A.No. 136/2007 which is pending before the Court. It is further clarified that the same issue regarding T.P.Scheme was filed before the Hon. High Court in Special Civil Application. The said Special Civil Application was dismissed and thereafter the party has preferred L.P.A. before the Division Bench of Gujarat High Court which is pending.	Nil-Property involved	Pending for hearing	Pending	No adverse effect on the Company because property is owned by Co.op. Society .
(3)	Appel No. 8/2009	25-03-2010	Linaben Sanghavi Vs. B. Nanji Enterprise Ltd., Devdiya Reality Pvt Ltd.	Sr. Division judge, Sanand court.	Suit has filed by Linaben Sanghavi against B. Nanji Enterprise Ltd. In which Defendants Nos.8,9, and 10 are Devdiya Reality Pvt. Ltd. and Sanjaybhai H. Thakkar for the Sub-Plot No. 54, admeasuring about 451 Sq. Yds. In Survey No. 716/1, 718, 724, 761/1 and 761/2	Nil – Property involved	Reply is to be filed by the Opponent	Pending	No adverse effect on the Company as the case filed against the Group Company.

5. UNDER LABOUR LAWS:

- Cases filed by the Company - Nil
- Cases filed against the Company-Nil
- Cases filed by the Promoters- Nil
- Cases filed against the Promoters-Nil
- Cases filed by the Directors- Nil
- Cases filed against the Directors-Nil
- Cases filed by the Group Companies/associate concerns-Nil
- Cases filed against the Group companies/associate concerns-Nil

6. UNDER VARIOUS STATUTORY LAWS:

- Cases filed by the Company – Nil
- Cases filed against the Company

Sr. No.	Case No.(s)	Institution Date	Parties	Authority	Subject Matter and Relief sought	Amount Involved (in Rs.)	Present Status	Status as on date	Likely adverse effect on the financials of issuer
(1)	O.J.14 53/2010, Company Petition No. 20/2010	March-2010	Infinity Retail Ltd. Vs. Dev Procon Ltd(Formerly known as Dev arcade Pvt. Ltd.)	Gujarat High Court	The Infinity Retail Ltd. has filed the Company Petition No. 20/2010 before the Hon. Gujarat High Court for winding up petition. The Infinity Retail Ltd. has claimed Rs.8,80,452/- against the Company as per the term sheet dtd. 17-11-2006 and Memorandum of Understanding . dtd. 1.8.2007	Rs.8,80,452/-	Issuing of notice	Pending	Winding up petition for the Company

- c) Cases filed by the Promoters- Nil
- d) Cases filed against the Promoters- Nil
- e) Cases filed by the Directors- Nil
- f) Cases filed against the Directors-Nil
- g) Cases filed by the Group Companies/associate concerns- Nil
- h) Cases filed against the Group companies/associate concerns-Nil

Amount Outstanding to SSI Undertaking or other creditors

There are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding Rs.1 Lac which is outstanding for more than 30 days from the due date.

Material Developments

There are no material developments after the date of the last audited balance sheet as on March 31, 2010, which may materially affect the performance, or prospects of our Company.

GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS

On the basis of the indicative list of approvals provided below, the Company can undertake this Issue and its current business activities and no additional major approvals from any Government or regulatory authority, including the RBI, are required to undertake the Issue or continue these activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

In view of the approvals listed below, the Company can undertake the current as well as proposed business activities and other than as mentioned below, no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

Company Incorporation

1. Certificate of Incorporation dated 06/06/2005 from the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
2. Fresh Certificate of Incorporation dated 04/01/2010 consequent to change in the name of the Company from Dev Arcade Private Limited to Dev Procon Private Limited from the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
3. Fresh Certificate of Incorporation dated 31/03/2010 consequent to change in the name of the Company due to change in the status of the Company from private limited company to public limited company Registrar of Companies, Gujarat, Dadra & Nagar Haveli. CIN No. of the Company is U45200GJ2005PTC046194.

The following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Laws for carrying out its business.

Sr. No	Details of licenses, permissions/approvals	Registration number of licenses, permissions/approvals	Issuing Authority
1	Service Tax	AACCD17888PST001	Central Board of Excise & Service Tax
2	Permanent Account number (PAN)	AACCD1788P	Income Tax Department
3	Tax Deduction Account Number (TAN)	AHMD03178A	Income Tax Department
4	Professional Tax	PRCO16740071	Ahmedabad Municipal Corporation
5	Employee Provident Fund	GJ/PFC/AHD/54156/ENF/03	Employee Provident Fund Organization

(A) ONGOING PROJECTS

1) DEV CASTLE (Residential & Commercial Project Situated At Maninagar)

This project is carried out by our group company Dev Dip Malls Developers Private Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission	Collector Of Ahmedabad.	CDC-NA-SR-116-06-07	May 14, 2007	N.A

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
2	Commencement Letter (Raja Chitthi)	A.M.C	10290/220808/A5189/R0/M1	November 12, 2008	N.A
		A.M.C	12466/290509/A6290/RO/M1	July 1, 2009	
3	Revised Commencement Letter (Raja Chitthi)	A.M.C	11878/220808/A5189/R1/M1	May 7, 2009	N.A
		A.M.C	14006/220808/A5189/R2/M1	December 22, 2009	
		A.M.C	14230/290509/A6287/R1/M1	January 19, 2010	
4	Approval of Plan #	A.M.C	BLNTS/SZ/220808/P/A5189/R0/M1	November 12, 2008	N.A
		A.M.C	BLNTS/SZ/290509/P/A6290/R0/M1	July 1, 2009	
5	Revised Approval of Plan	A.M.C	BLNTS/SZ/220808/P/A5189/R1/M1	May 7, 2009	N.A
		A.M.C	BLNTI/SZ/220808/P/A5189/R2/M1	December 22, 2009	
		A.M.C	BLNTS/SZ/290509/P/A6287/R1/M1	January 19, 2010	

b) Licenses / Approvals applied but not received :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Environment Clearance	State Level Expert Appraisal Committee, Gandhinagar.	N.A.	Jun 22, 2009	N.A.

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Building Use Permission	A.M.C	N.A.	N.A	N.A.

2) DEV EXOTICA : (Residential Project situated at Ghuma Ahmedabad.)

This project is being carried out by Dev Procon Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission	Collector Of Ahmedabad.	N.A./TBKH/K.65/Ghuma/SRN-221/2009	August 6, 2009	N.A
		Taluka Development Officer Dascroi.	JMN/S.R. -343	March 19, 1994	N.A.

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
		District Development Officer	MSL/B.KH.P./SR-42/VASHI.779-86/08	February 24, 2009	N.A
		Taluka Development Officer Dascroi.	T.P.JMN/G/1/S.R. -30	January 5, 1991	N.A
2	Commencement Letter (Raja Chitthi)	Town Planning and Valuation Department Ahmedabad.	NABP/Ghuma/Dascroi/2030	July 24, 2009	N.A
3	Approval of Plan	Town Planning and Valuation Department Ahmedabad.	NABP/Ghuma/Dascroi/2030	July 24, 2009	N.A

b) Licenses / Approvals applied but not received :

NIL

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Building Use Permission	Town Planning and Valuation Department Ahmedabad.	N.A	N.A	N.A

3) DEV MALL –II (Retail Mall at Jitodiya Road, Anand)

This project is carried out by our subsidiary company Dev Priya Infrastructure Private Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission*	Collector Of Anand.	Land1/N.A./S.R./100/07-08	May 27, 2008	N.A
2	Commencement Letter (Raja Chitthi)#	Anand area Development Authority Anand.	113	June 21, 2008	N.A
3	Approval of Plan#	Anand area Development Authority Anand.	113	June 21, 2008	N.A

b) Licenses / Approvals applied but not received :

NIL

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
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Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Building Use Permission	Anand area Development Authority Anand.	N.A	N.A	N.A.
2	No Objection Certificate (NOC) of Fire	Chief Fire Officer Of Anand.	N.A	N.A	N.A.

4) DEV INDUSTRIAL ESTATE (Industrial Plotting Scheme at B.I.D.C., Baroda)

This project is carried out by our group company Amikrupa Reality Private Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Industrial Zone Certificate	Vadodara Urban Development Authority	UDA/Zone Certi/4211/2007 No. 144 to 150	December 12, 2007	N.A.
2	Industrial Zone Certificate	Vadodara Urban Development Authority	UDA/Zone Certi/698/2008 No. 1033	March 11, 2008	N.A.
3	Commencement Letter (Raja Chitthi)	Vadodara Mahanagar Seva Sadan	Ward-10L-45/2009.2010	June 9, 2009	N.A
4	Revised Commencement Letter (Raja Chitthi)	Vadodara Mahanagar Seva Sadan	Industrial Ward-10-171/2009.2010	December 16, 2009	N.A
5	Approval of Plan	Vadodara Mahanagar Seva Sadan	L45/09.10	June 9, 2009	N.A
6	Revised Approval of Plan	Vadodara Mahanagar Seva Sadan	Industrial/171/09.10	December 16, 2009	N.A

b) Licenses / Approvals applied but not received :

NIL

c) Licenses / Approvals yet to be applied :

NIL

5) DEV 181 (Residential Project situated at Bopal, Ahmedabad.)

This project is being carried out by Dev Procon Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Application Date	Date of Expiry
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Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Application Date	Date of Expiry
1	Permission to Acquire Agriculture Land under section 63, Rules-36	Collector Of Ahmedabad.	CB/LAND-2/TNC/SR-6/C-2662/6/2010	June 24, 2010	December 23, 2010

b) Licenses / Approvals applied but not received :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Application Date	Date of Expiry
1	Approval of Plan	AUDA	N.A.	November 07, 2009	N.A.

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission	Collector Of Ahmedabad.	N.A.	N.A.	N.A.
2	Commencement Letter (Raja Chitthi)	AUDA	N.A.	N.A.	N.A.
3	Building Use Permission	AUDA	N.A.	N.A.	N.A.

6) DEV STATUS (Residential Project at Paldi, Ahmedabad)

This project is carried out by our subsidiary company Devdip Arcade Private Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission*	Collector Of Ahmedabad.	L.N.D.-2382	October 23, 1962	N.A
		Collector Of Ahmedabad.	L.N.D.S.R-2381	August 1, 1967	N.A

b) Licenses / Approvals applied but not received :

NIL

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Commencement Letter (Raja Chitthi)	A.M.C	N.A	N.A	N.A
2	Approval of Plan	A.M.C	N.A	N.A	N.A

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
3	No Objection Certificate (NOC) of Fire	Chief Fire Officer Of Ahmedabad.	N.A.	N.A	N.A
4	No Objection Certificate (NOC)	Airport Authority of India	N.A.	N.A.	N.A.
5	Building Use Permission	A.M.C	N.A	N.A	N.A

(B) PROPOSED PROJECT

1. DEV PROCON RESIDENCY (Residential Project at Manipur, Ahmedabad)

This project will be carried out by Dev Procon Limited.

a) Licenses / Approvals obtained:

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	NA Permission*	Taluka Development Officer (Sanand)	Ta.Pan/Mahe/JMN/NA/SR/7/82	April 20, 1982	N.A

b) Licenses / Approvals applied but not received :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Approval Of Plan	AUDA	N.A.	February 1, 2010	N.A

c) Licenses / Approvals yet to be applied :

Sr. No	Description	Issuing Authority	Reference/License Number	Issuing Date / Date of application	Date of Expiry
1	Commencement Letter (Raja Chitthi)	AUDA	N.A	N.A	N.A
2	Building Use Permission	AUDA	N.A	N.A	N.A

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals:

- Our Board of Directors has, pursuant to a resolutions passed at its meeting held on March 20, 2010 authorized the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.
- The shareholders of our Company have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of our Company held on 15th April, 2010.
- We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [*] and [*], respectively. [*] is the Designated Stock Exchange.

Prohibition by SEBI

We confirm that neither (i) Our Company, our subsidiaries, our Promoters, persons in control of our company, , Promoter Group, our Directors and our Group Companies have 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 or any other authorities. None of our Promoters, Directors was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

None of our Directors is in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors or any entity with which our Directors are involved as promoters or directors.

Prohibition by RBI

Our Company, our Promoters, the relatives (as per Companies Act, 1956) of promoters, the Group Companies and our Directors, are not identified as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009 as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- Our company has net tangible assets of at least Rs 300 Lacs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;
- Our Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least (3) out of immediately preceding five (5) years;
- Our Company has a net worth of at least Rs.100 Lacs in each of the preceding three (3) full years (of 12 months each);

□ Our company was incorporated in Ahmedabad as Dev Arcade Private Limited on June 6, 2005 under the Companies Act 1956. The name of our company was changed to Dev Procon Private Limited and Registrar of Companies issued a fresh certificate of incorporation reflecting the new name on January 4, 2010. Thereafter our company was converted into Public Limited Company namely Dev Procon Limited and fresh certificate of incorporation was received from Registrar of Companies dated 31.03.2010. However, there has not been any corresponding change in the business activities of our Company and more than 50% of the revenue for the preceding full one year has been earned by the Company from the activity indicated by the new name.

□ The proposed issue size does not exceed five (5) times its pre-issue net worth as per the last available audited accounts of the Financial Year ended on 31st March, 2010.

The post Issue face value capital of the Company shall be Rs. [●] Lacs, which is more than the minimum requirement of Rs. 1000 Lacs. Hence, we are eligible under Clause 26(1) of SEBI (ICDR) Regulations, 2009. Further, in accordance with Clause 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees shall be not less than 1,000.

The pre-issue net worth, distributable profits and net tangible assets in terms of section 205 of the Companies Act, of our Company for the last 5 completed years are as under:

(Rs. in Lacs)					
For the Financial year ending	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010
Net Tangible Assets	627.10	4940.62	11159.03	18320.26	22868.71
Monetary Assets	13.23	3.86	127.14	42.49	21.25
% of Monetary Assets to Net Tangible Assets	2.11%	0.08%	1.14%	0.23%	0.09%
Distributable Profits	12.77	1.16	162.05	174.98	202.49
Tangible Net worth	509.85	511.72	1241.52	1408.22	7584.90

Source: As per restated standalone financial statements.

The proposed issue size would not exceed five times the pre-issue Tangible net worth as on March 31, 2010 which is Rs. 7584.90 Lacs. Based on the above data we hereby certified that the Company is fulfilling the criteria of eligibility norms for Public Issue by unlisted company as specified in the regulation 26(1) of SEBI (ICDR) Regulations, 2009 and amendments thereof.

Monetary Assets represents Cash and Bank Balance.

‘Net tangible assets’ shall mean the sum of all net assets of the company, excluding ‘intangible assets’, as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

Further, in accordance with Regulation 26 (4) of the SEBI ICDR Regulations, we undertake that the number of allottees, i.e., persons receiving allotment in the Issue shall be at least 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

For a complete explanation of the above figures please refer to the section entitled “Financial Information of the Company” beginning on page 130 of this Draft Red Herring Prospectus.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, NIRBHAY CAPITAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, NIRBHAY CAPITAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 16, 2010 WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- (2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**
- (7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL**

BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.- NOT APPLICABLE

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.- NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.-NOT APPLICABLE

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS

SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE ARE BEING COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT IN TERMS OF 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Disclaimer from the Company and the BRLM

Our Company, 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 our instance and anyone placing reliance on any other source of information, including our web site www.devgroupindia.com would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company dated 27st day of May, 2010 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Caution

Our Company, the BRLM and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and may engage in future engage, in investment banking transactions with our Company and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are

authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or foreign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, 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 this Draft Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Company's 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 Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Disclaimer clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated [●], permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this offer document has been submitted to NSE. NSE has given vide its letter ref. [●] dated [●] permission to the Issuer to use the Exchange's name in this offer document as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinised this Draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of grading agency

[•]

Filing

A copy of this Draft Red Herring Prospectus has been filed with the Corporate Finance Department of SEBI, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under section 60 of the Companies Act will be delivered for registration with RoC situated at ROC Bhavan, CGO Complex, Opp: Rupal Park, Behind Ankur Bus Stand, Naranpura, Ahmedabad – 380 013.

Listing

Applications have been made to the BSE and the NSE for permission for listing of the Equity Shares being issued through this Draft Red Herring Prospectus. The BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalized 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, the Company 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 eight days after the Company will become liable to repay it (i.e. from the date of refusal or within 15 days from the date of Bid/Issue Closing Date, whichever is earlier), then the Company along with every Director of the Company who is default shall, on and from expiry of eight 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.

The Company 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 seven working days from finalisation of the basis of allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which 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, the Legal Advisors, the Lenders, Compliance Officer, the auditor, the Bankers to the Issue, the Bankers to the Company; and (b) the BRLM, the Syndicate Member, the Escrow Collection Banks and the Registrar to the Issue, to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 1956 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Nautam R Vakil & Co., Chartered Accountants, our Auditors have given their written consent vide their letter dated August 01, 2010 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 will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the ROC.

Nautam R Vakil & Co., Chartered Accountants, our Auditors have given their written consent vide their letter dated July 31st, 2010 to the inclusion of their Tax Benefits accruing to our Company and its shareholders in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the ROC.

[●], a SEBI registered credit rating agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert Opinion

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] Lacs. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

<i>(Rs. in Lacs)</i>			
Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management fees, underwriting and selling commission	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing and stationery, including transportation costs	[●]	[●]	[●]
Others (Registrar's fee, listing fees, etc.)	[●]	[●]	[●]
Fees payable to Grading Agency	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

* To be completed after finalization of issue price

Fees Payable to the BRLM and the Syndicate Member

The total fees payable to the Book Running Lead Manager and the Syndicate Member will be as per the MOU between our Company and the BRLM, a copy of which shall be available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MOU between our Company and the Registrar to the Issue.

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.

Previous Right and Public Issues

We have not made any public or Right issues in India or abroad in the ten years preceding the date of this Draft Red Herring Prospectus.

Issues otherwise than for Cash

Except as stated in the section “Capital Structure” on page no. 17 of Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Company’s Equity Shares

Since this is the initial public offer 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 our Company’s Equity Shares since inception.

Issues Made By The Companies Under The Same Management Under Section 370(1B) Of The Companies Act, 1956.

Neither our Company nor any other company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, has made any capital issue during the last three years.

Promise vis-à-vis Performance

Since neither our Company nor any group company has not made any public issue in past, Promise vis-à-vis Performance is not applicable to us.

Our Company has not issued debentures, bonds, redeemable preference shares and any other instruments since the date of incorporation of our Company.

Stock Market Data of the Company’s Equity Shares

This being an initial public offer, the Equity Shares are not listed on any stock exchange.

The Memorandum of Understanding between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Share Holders/Investors Grievance Committee comprising Mr. Dipak A Thakkar, Mr Hardayal T Manshani and Mr. Sharad J Mehta. The Company Secretary of our Company acts as the secretary of the Shareholders'/Investors' Grievance Committee.

Our Company has appointed Mr. Ashok V. Luste, as the Contact Person and Compliance Officer and He may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Ashok V. Luste
Contact Person & Compliance Officer,
Dev Procon Limited
"Dev House", Beside Rajpath Club, Nr Sankalp Restaurant,
S G Highway, Ahmedabad – 380059, India.
Tel: +91-79-40244444, +91- 9913700101
Fax: +91-79-40244445
Email: investor@devgroupindia.com
Website: www.devgroupindia.com

Mechanism for Redressal of Investor Grievances by Companies under the same management

None of our Company under the same management is listed on any stock exchange as on the date of filing the DRHP with SEBI.

Changes in the Auditors during last three years

M/s Nautam R Vakil & Co., Chartered Accountants are the Statutory Auditor of our Company from the date of incorporation of our Company. w.e.f. 6th day of June, 2005. There is no change in the Statutory Auditors of our Company since date of incorporation of our Company.

Capitalization of reserves or profits since incorporation

We have not capitalized our reserves or profits since our incorporation, except in relation to the bonus issuance as stated in "Capital Structure" on page no. 17.

Revaluation of assets since incorporation

There has been no revaluation of assets of our Company since its incorporation.

SECTION VIII- ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated March 20, 2010 and by special resolution adopted pursuant to Section 81(1A) of the Act, at an Extra Ordinary General Meeting of the shareholders of the Company held on April 15, 2010.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and the Memorandum of Association and the Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section “Main Provisions of the Articles of Association” beginning on page no. 274.

Mode of Payment of Dividend

Our 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 each Equity Share is Rs.10. The Floor Price of Equity Shares is Rs.[●] per Equity Share and the Cap Price is Rs.[●] per Equity Share. At any given point of time, subject to applicable law, there shall be only one denomination of Equity Shares. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLMs.

Compliance with ICDR Regulations

Our Company shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders of our Company shall have the following rights:

1. The right to receive dividends, if declared;
2. The right to attend general meetings and exercise voting powers, unless prohibited by law;
3. The right to vote on a poll either in person or by proxy;
4. The right to receive offers for rights shares and be allotted bonus shares, if announced;
5. The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
6. The right to freely transfer their Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section “Main Provisions of the Articles of Association” beginning on page no. 274.

Market Lot and Trading Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the ICDR Regulations, the trading of the Equity Shares shall be in dematerialized form only. Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one (1) Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For details of allocation and allotment, see “Issue Procedure” on page no. 239.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of the 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. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the Registrar and Transfer Agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

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

Further, our 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 90 days, our 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 mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive a minimum subscription of 90% of the Issue including devolvement to the Underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Furthermore, in accordance with Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this issue is with the competent courts/authorities in Ahmedabad, India

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”), or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI.

It is to be distinctly understood that there is no reservation for NRIs and FIIs registered with SEBI or FVCIs registered with SEBI.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except for lock-in of the Promoters’ minimum contribution in the Issue as detailed in the section titled “Capital Structure” on page 17 and as provided in our Articles. See the section “Main Provisions of the Articles of Association” on page no. 274.

Application in Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialised form only.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue informing the reason. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

ISSUE STRUCTURE

Public issue of 75,00,000 Equity Shares of Rs.10 each for cash at a price of Rs.[●] per Equity Share (including a share premium of Rs.[●] per Equity Share) aggregating Rs.[●] lacs by Dev Procon Limited. The Issue will constitute 30% of the fully diluted post issue paid up capital of our Company. The Issue is being made through the 100% Book Building process.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to 37,50,000 Equity Shares or Issue less allocation to Non Institutional Bidders and Retail Individual Bidders.	At least 11,25,000 Equity Shares or Issue less allocation to QIBs and Retail Individual Bidders.	At least 26,25,000 Equity Shares or Issue less allocation to QIBs and Non- Institutional Bidders.
Percentage of Issue Size available for allocation	Up to 50% of Issue or Issue less allocation to Non Institutional Bidders and Retail Individual Bidders. However, 5% of the QIB Portion shall be available for allocation to mutual Funds only. Mutual funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	At least 15% of the Issue or Issue less allocation to QIBs and Retail Individual Bidders.	At least 35% of Issue or Issue less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation if Respective category is oversubscribed	Proportionate (a) 1,87,500 Equity shares shall be allocated on a proportionate basis to Mutual Funds ; and (b) 35,62,500 Equity shares shall be allocated on a proportionate basis to all QIBs including Mutual funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs.100,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs.100,000.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the bid does not exceed the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the bid does not exceed the Issue size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply **	(i) a mutual fund, venture capital fund registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, Corporate bodies, scientific institutions societies and trusts and any FII sub-account registered with SEBI which is a foreign corporate or foreign	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs.100,000 in value.

	scheduled commercial bank; (v) a state industrial development corporation; (vi) an insurance company registered with the Insurance Regulatory and Development Authority; (vii) a provident fund with minimum corpus of twenty five crore rupees; (viii) a pension fund with minimum corpus of twenty five crore rupees; (ix) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (x) insurance funds set up and managed by army, navy or air force of the Union of India;	individual.	
Terms of Payment	Amount shall be payable at the time of submission of bid cum application form to the syndicate members.	Amount shall be payable at the time of submission of bid cum application form.	Amount shall be payable at the time of submission of bid cum application form.
Margin Amount	Full Bid Amount on Bidding	Full Bid Amount on Bidding	Full Bid Amount on Bidding

** Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category would be met with spill over from any of the other categories or combination of categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Fund is less than Mutual Fund Portion i.e. 1,87,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to QIB portion and be allocated proportionately to QIB bidders.*

*** 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.*

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal, within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with 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. In terms of the ICDR Regulations, QIBs shall not be allowed to withdraw their Bids after the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders in case of Public Issues.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the 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 shall be done within 15 days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund

instructions have not been given to clearing members, and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bidding Period / Issue Period

Bid / Issue Opens on	[●]
Bid/ Issue Closes on	[●]

6. Closure time of the Stock Exchange bidding platform for entry of bids is 5.00 P.M..
7. On the day of closing, extension of time will be granted by Stock Exchange only for uploading the bids received from Retail Investors after taking into account the total number of applications received upto the closure of timings for acceptance of application forms as stated in Offer Document and reported by BRLM to the Exchange within half an hour of such closure.
8. Bids not uploaded in the book, would be rejected.
9. In case of discrepancy in the data entered in the electronic book vis a 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.
10. Standardization of cut-off time for uploading of bids on the bid / issue closing date.
 - a) A standard cut-off time of 3.00 P.M. for acceptance of bids
 - b) A standard cut-off time of 4.00 P.M. for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
 - c) A standard cut-off time of 5.00 P.M. for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, when Bids shall be accepted only between 10.00 a.m and 3.00 p.m (Indian Standard Time).**

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 3.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. 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.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding 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 website of the BRLM and at the terminals of the syndicate.

ISSUE PROCEDURE

Book Building Procedure

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

Bidders are required to submit their Bids through the Syndicate member. Further, QIB Bids can be submitted only through the BRLM and/ or their affiliates. Our Company, in consultation with the BRLM may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

The prescribed color of the Bid-cum-Application Form for various categories is as follows:

Category	Color of Bid-cum-Application Form
Persons Resident in India and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs applying on a repatriation basis, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

The physical ASBA Bid-cum-Application Form shall be white in colour. In accordance with the SEBI Press Release PR No.386/2009 dated December 10, 2009, any Bidder (other than a QIB Bidder) can participate by way of the ASBA process. ASBA Bidders shall submit an ASBA Bid-cum-Application Form either in physical or electronic form to the SCSB authorizing blocking of funds that are available in the bank account specified in the ASBA Bid-cum-Application Form used by ASBA Bidders. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid-cum-Application Form to the SCSB, the ASBA Bidder is deemed to have authorized the Company to make the necessary changes in the Draft Red Herring Prospectus and the ASBA 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 ASBA Bidder.

In accordance with the ICDR Regulations, only QIBs can participate in the Anchor Investor Portion.

Note:

There will be a separate ASBA Form for ASBA Investor applying through ASBA process.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);

3. 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;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
5. a mutual fund and venture capital fund registered with the Board;
6. a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board;
7. a public financial institution as defined in section 4A of the Companies Act, 1956;
8. a scheduled commercial bank;
9. a state industrial development corporation;
10. an insurance company registered with the Insurance Regulatory and Development Authority;
11. a provident fund with minimum corpus of twenty five crore rupees;
12. a pension fund with minimum corpus of twenty five crore rupees;
13. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
14. insurance funds set up and managed by army, navy or air force of the Union of India;
15. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in Equity Shares;
16. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in Equity Shares;
17. Scientific and/or industrial research organisations in India authorised under their constitution to invest in equity shares;
18. Any FII sub-account registered with SEBI which is a foreign corporate or foreign individual; and
19. Any other QIBs permitted to invest in the Issue under applicable law or regulation.

As per existing regulations, OCBs cannot Bid in the Issue.

Note: The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable laws, rules, regulations, guidelines and approvals.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 1, 87,500 Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds 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 for which the Bid has been made.

In accordance with the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the registered office of our Company and Members of the Syndicate.
2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

Bids by FIIs

In accordance with 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 2, 50, 00,000 Equity Shares. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in Our Company cannot exceed 24% of our total issued capital. With the approval of the Board of Directors 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 our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub-account may issue, deal in, or hold, offshore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India, only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment, subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In accordance with the current regulations, the following provisions are applicable for investments by SEBI registered Venture Capital Funds:

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 and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable to inform the investors of any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the total Bid Amount (including revision of Bids, if any) payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their

agreement to Bid and subscribe to Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) For Non-Institutional Bidders and QIB Bidders:

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by the regulatory and statutory authorities governing them. **Under the existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders do not have the option of bidding at Cut-off Price.

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 Bidder:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Draft Red Herring Prospectus along with the Bid cum Application Form to potential investors.
3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus along with the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.
4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Member or their authorised agent(s) to register their Bids.
5. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the member of the Syndicate/SCSB. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate/SCSB, will be rejected.

Method and Process of Bidding

1. Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Draft Red Herring Prospectus to be filed with RoC and publish the same in two widely circulated newspapers (one each in English and Hindi) and in a regional newspaper. This advertisement shall contain the disclosures as prescribed under the SEBI Regulations. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the form prescribed in Schedule XIII of the SEBI Regulations. The BRLM and Syndicate Member shall accept Bids from the Bidders during the Bidding/Issue Period.
2. The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and in a regional newspaper and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate and the Bidding/Issue Period may be extended, if required, by an additional three working days, subject to the total Bidding/Issue Period not exceeding 10 working days.
3. During the Bidding/Issue Period, investors who are interested in subscribing to our Equity Shares should approach the members of Syndicate or their authorised agents to register their Bid.
4. 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” on page no. 243) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at

or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form has 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 bidding 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 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 “Build up of the Book and Revision of Bids” on page no. 245.
6. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a 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.
7. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into the Escrow Account” on page no. 244.
8. During the Bidding/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 Draft Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the floor of the Price Band and Rs. [●] being the cap of the Price Band. The Bidders can Bid at any price within the Price Band in multiples of Re. 1.
2. Our Company in consultation with the BRLM can revise the Price Band during the Bidding/Issue Period, in which case the Bidding/issue Period shall be extended further for a period of three additional working days, subject to the total Bidding/Issue Period being a maximum of 10 working days. 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 disclosed in the Draft Red Herring Prospectus.
3. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and in a regional newspaper, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
4. Our Company, in consultation with the BRLM can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. The Bidder has to Bid for the desired number of Equity Shares at a specific price. The Bidder can Bid at any price within the Price Band in multiples of Re.1. Retail Individual Bidders may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
6. 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 Payment Method 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.
7. 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 member 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 by a Retail Individual Bidder 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 Price 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.
8. 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 respective Refund Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders 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 Accounts. The Escrow Collection Banks will act in terms of this Draft Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement and this 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 us, 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 Account

Each Bidder, shall pay the applicable Margin Amount, along with the submission of the Bid-cum-Application Form by way of a cheque or demand draft in favour of the Escrow Account (for details please see the section titled “Payment Instructions” beginning on page no. 251) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid-cum-Application Forms accompanied by cash shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.

On the Designated Date and no later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned under the section titled “Issue Structure” on page no. 236. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated/allotted at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay in-Date. QIBs will be required to deposit a full bid amount at the time of submitting of their Bids.

If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid-cum- Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allotment, will be refunded to such Bidder within 15 days from the Bid /Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. 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.
2. NSE and BSE 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/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
3. BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at "www.bseindia.com" or on NSE's website at "www.nseindia.com".
4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should 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, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form);
 - Investor category –Individual, Corporate, QIBs, Eligible NRI, FII or Mutual Fund, etc;
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid cum Application Form number;
 - Whether payment is made upon submission of Bid cum Application Form; and
 - Depository participant identification number and client identification number of the beneficiary account of the Bidder.
5. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
7. 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 who Bid, Bids would not be rejected except on the technical grounds listed on page no. 254
8. It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company.
9. It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by NSE or BSE; 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 our Equity Shares will be listed or will continue to be listed on NSE and BSE.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to NSE or BSE mainframe on a regular basis in accordance with market practice.
2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
3. 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.
4. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the

options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

5. 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.**
6. 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.
7. 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.**
8. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In the event of discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of our Company in consultation with the BRLM, based on the physical records of Bid/cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid /Issue Closing Date, the BRLM will analyze the demand generated at various price levels.
2. Our Company in consultation with the BRLM shall finalize the “Issue Price” and the number of Equity Shares to be allocated in each investor category.
3. QIB Bidders will be required to deposit the QIB Margin Amount at the time of submitting of their Bids. After the closure of bidding, the level of subscription in the various categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called for from the QIB Bidders. The QIB Bidders shall pay such additional Margin Amount within a period of two days from the date of the letter communicating the request for such additional margin money.
4. Under-subscription, if any, in any category would be met with spill over from other categories or combination of other categories at the sole discretion of our Company in consultation with the BRLM. In case of inadequate demands from the Mutual Funds, the Equity Shares would be made available to QIBs other than Mutual Funds.
5. The allocation under the Issue shall be on proportionate basis, in the manner specified in the SEBI Regulations and this DRHP and in consultation with Designated Stock Exchange.
6. The BRLM, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
7. Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue informing the reason. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.
8. Allocation to FIIs and eligible NRIs on repatriation basis will be subject to the applicable law.
9. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLM and the Syndicate Member 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 Draft Red Herring Prospectus with RoC, which then would be termed ‘Prospectus’. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on the Draft Red Herring Prospectus, publish an advertisement in the form prescribed by the SEBI Regulations, in two widely circulated national newspapers (one each in English and Hindi) and a regional newspaper.

Advertisement regarding Price Band and Draft Red Herring Prospectus

A statutory advertisement will be issued by our Company after the filing of the Draft Red Herring Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Draft Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note (“CAN”)

Subject to “Allotment Reconciliation and Revised CANs” as set forth below:

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLM and/ or their affiliates or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the Balance Amount Payable for all the Equity Shares allocated to such Bidder. Those QIB Bidders who have not paid the Bid Amount in full 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 Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

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. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bidding /Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within 15 days of the closure of the issue.
- (b) As per SEBI Regulations, **Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees.**
- (c) After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, our Company will allot the Equity Shares to the Allottees.

- (d) Successful Bidders will have the option to rematerialize the Equity Shares so allotted/transferred if they so desire as per the provisions of the Companies Act and the Depositories Act, rules, regulations and bye laws of the Depositories.

Investors are advised to instruct their depository participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply having regard to applicable law, rules, regulations, guidelines and approvals and the terms of the Draft Red Herring Prospectus;
- (b) Ensure that your bid is within the Price B and;
- (c) Read all the instructions carefully and complete the Bid cum Application Form (white or blue in colour) as the case may be.
- (d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- (e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate/SCSB.
- (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) Each of the Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. (See the section "Issue Procedure – Permanent Account Number" on page no. 253);
- (i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form
- (j) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/revise Bid to a price that is less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid amount in cash;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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 or under the terms of the Draft Red Herring Prospectus;
- (h) Do not bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);
- (i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB;
- (j) Do not submit Bids accompanied by Stockinvest or postal order or money order; and
- (k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and Eligible NRIs applying on non-repatriation basis and blue colour for Non Residents including, Eligible NRIs and FIIs registered with SEBI applying on repatriation basis.
2. Made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. 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.
4. The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
6. 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.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the 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.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, nor the Registrar, Escrow Collection Bank(s) 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 three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ 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.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated [●] between NSDL, us and Registrar to the Issue;
- (b) an agreement dated [●] between CDSL, us and Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. 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.
3. Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. 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.
6. 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.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Bids by Eligible NRIs and FIIs registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. By FIIs for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Amount exceeds Rs. 100,000. For further details see "Issue Procedure-Maximum and Minimum Bid Size" on page no.241
3. In the names of individuals, or in the names of FIIs registered with SEBI but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
4. In a single name or joint names (not more than three).

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 by Eligible NRIs for a Bid Amount of more than Rs. 100,000 would be considered under the Non-Institutional Portion for the purposes of allocation;

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs, and all such Bidders will be treated on the same basis with other categories for the purpose of allocation.

As per existing regulations, OCBs cannot Bid in the Issue.

Bids under Power of Attorney

1. In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
2. 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 submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
3. In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
4. In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
5. In case of Bids made by Mutual Funds and venture capital funds registered with SEBI a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.
6. We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we and the BRLM may deem fit.

Payment Instructions

We shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

Each Bidder shall pay the applicable Margin Amount at the time of submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account as per the below terms.

- (a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the

Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account.

- (b) Each category of Bidders i.e. 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 by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s). (For details please see the section titled “Issue Procedure” beginning on page no. 239 and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Margin Amount payable by each category of Bidders is mentioned in the section titled “Issue Structure” beginning on page no. 236 . Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
- (c) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date. 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.
- (d) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder in terms of the Draft Red Herring Prospectus.
- (e) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (i) In case of Resident QIB Bidders: **“Escrow Account – DPL- IPO – QIB – R”**
 - (ii) In case of non resident QIB Bidders: **“Escrow Account – DPL IPO – QIB – NR”**
 - (iii) In case of Resident Retail and Non-Institutional Bidders: **“Escrow Account – DPL IPO – R”**
 - (iv) In case of Non-Resident Retail and Non-Institutional Bidders: **“Escrow Account – DPL IPO – NR”**
- (f) In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.
- (g) In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.
- (h) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the 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.

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. Separate receipts shall not 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.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD.No.FSC.BC.42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in the Issue.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In 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 will serve as a multiple master document.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The addresses of all these applications from the multiple master will be strung from the address master. This involves including the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.
4. The applications will be scanned for similar Depository Participant's identity (DP ID) and client identity numbers. If applications bear the same numbers, these will be treated as multiple applications.
5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. Upon completion of this exercise, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

We, in consultation with the BRLM, reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN'/ Permanent Account Number

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.. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not furnish the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Unique Identification Number ("UIN") - MAPIN

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2003 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Rejection of Bids

In case of QIB Bidders, our Company in consultation with the BRLM and/or their affiliates may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders

and Retail Individual Bidders, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Bank account details (for refund) not given;
3. Age of first Bidder not given;
4. 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;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. Bidder's PAN number is not mentioned in the Bid. It is to be specifically noted that the Bidders should not submit the GIR number instead of the PAN;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than the lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
11. Bids for a number of Equity Shares, which are not in multiples of [●];
12. Category not ticked;
13. Multiple Bids;
14. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Member;
18. Bid-cum-Application Form does not have the Bidder's depository account details;
19. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid-cum-Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by QIBs not submitted through members of the Syndicate;
23. Bids by OCBs;
24. Bids by U.S. residents or U.S. persons other than in reliance on Regulation S or Rule 144A under the Securities Act; and
25. Bids by persons who are not eligible to acquire Equity Shares of our Company under any applicable law, rule, regulation, guideline or approval, in India or outside India.
26. Bids through ASBA process by QIB Bidders.

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this portion is less than or equal to 26,25,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their demand.

- If the aggregate demand in this category is greater than 26,25,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,25,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 11,25,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Up to 50% of the Issue Size shall be available for allocation to the QIB Bidders.
- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for up to 1,87,500 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled “Illustration of Allotment to QIBs” appearing below. If the valid Bids by Mutual Funds are for less than 1,87,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.
- Allotment shall be undertaken in the following manner:
 - a. In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available 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 at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

For the method of proportionate basis of allocation refer below.

Illustration of Allotment to QIBs (other than Anchor Investors) and Mutual Funds (“MF”)

Issue details

Particulars	Issue details
Issue size	200 million equity shares
Allocation to QIB (at least 50% of the Issue)	100 million equity shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 million equity shares
b. Balance for all QIBs including Mutual Funds	95 million equity shares
Number of QIB applicants	10
Number of equity shares applied for	500 million equity shares

Details of QIB Bids

S. No.	Type of QIBs	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: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds)

Details of Allotment to QIBs Applicants

Type of QIB	Shares bid for	Allocation of 5 million equity shares to MF proportionately (see note 2 below)	Allocation of balance 95 million equity shares to QIBs proportionately (see note 4 below)	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
			<i>(Number of equity shares in million)</i>	
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.42

Notes:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section “Issue Structure” beginning on page 236 of this Draft Red Herring Prospectus.
2. Out of 84.00 million equity shares allocated to QIBs, 4.20 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in the QIB Portion.
3. The balance 79.80 million equity shares, i.e., 84.00 – 4.20 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million equity shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
4. The figures in the fourth column entitled “Allocation of balance 114 million equity shares to QIBs proportionately” in the above illustration are arrived at as explained below:
 - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for (i.e., in column II of the table above) \times 79.80/495.80
 - For Mutual Funds (MF1 to MF5) = (No. of Equity Shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) \times 79.80/495.80

The numerator and denominator for arriving at the allocation of 84.00 million equity shares to the 10 QIBs are reduced by 4.20 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Procedure and Time of Schedule for Allotment and Demat Credit of Equity

The Issue will be conducted through a “100% book building process” pursuant to which the members of the Syndicate will accept bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on [●], 2010 and expire on [●], 2010. Following the expiration of the Bidding/Issue Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE/NSE. 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 Equity Shares will then be credited and Allotted to the investors’ demat accounts maintained with the relevant depository participant. The SEBI Regulations require our Company to complete the Allotment to successful Bidders including credit of shares to demand accounts, within 15 days of the expiration of the Bidding/Issue Period. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorized according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

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, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Letters of Allotment or Refund Orders or instructions to Self Certified Syndicate Banks in ASBA Process

Applicants residing at 68 centers where clearing houses are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form not later than 15 days of the Bid/Issue Closing Date;
- Refunds shall be made within 15 days of the Bid/Issue Closing Date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS;
- Our Company shall pay interest at 15% per annum if 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 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 a bank appointed by us, as Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories,

the Bidders' 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 our Company, the Registrar, 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.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- Our Company shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. 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, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

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 shall be undertaken through ECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). 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. One of the methods for payment of refund is through ECS for applicants having a bank account at any of the above mentioned 68 centres.
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 our Company.
3. RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the 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 dispatched 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 centers will be payable by the Bidders.

Please note that applicants having a bank account at any of the 68 centres where the clearing houses for ECS are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in I, II, III and IV above. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, prior to the Bid/Issue Opening Date, the refund orders would be dispatched under “Under Certificate of Posting” for refund orders less than Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

Disposal of applications and application moneys and interest in case of delay

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days of date of closure of the issue.

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.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalization of Basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form not later than 15 days of the Bid/Issue Closing Date;
- Refunds shall be made within 15 days of the Bid/Issue Closing Date at the sole or First Bidder's sole risk, except for Bidders who have opted to receive refunds through Direct Credit, NEFT, RTGS or ECS;
- Our Company shall pay interest at 15% per annum if 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 of the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 working days from the Bid/Issue Closing Date.

Undertakings by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of Allotment;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that the refund orders or allotment advice to the Non Resident Indian shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription etc.
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of issue of equity shares to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- details of all monies utilised out of the issue referred to in sub-item (i) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and
- details of all unutilised monies out of the issue of equity shares referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.
- The details of all unutilised monies out of the funds received under Promoters' contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

We shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued in November 2006 by the DIPP. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, no prior approval of the GoI is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. Under the approval route, prior approval from the FIPB/RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the GoI as its members.

Prior to 2 March 2005, foreign investment in the real estate sector was prohibited. However, now the real estate sector in India is open to foreign investment to a limited extent. With the intention of sourcing the requisite capital for growth of the real estate sector, the GoI has introduced reforms and liberalised foreign investment policies for this sector. Foreign investment in townships, housing, built-up infrastructure and construction development projects including, among other things, commercial premises, hotels, resorts, hospitals and city and regional level infrastructure up to 100%, is permitted under the automatic route, where no approval of the FIPB is required, subject to certain conditions and policy guidelines notified through Press Note 2 (2005 Series) dated March 2, 2005 issued by the DIPP. For further details, see the section “Regulations and Policies ” on page no. 77.

As per existing regulations promulgated under the FEMA, Non Residents such as NRIs (Only Eligible NRIs on a repatriation basis or a non- repatriation basis subject to applicable laws are allowed to participate in the Issue. NRIs, other than Eligible NRIs are not permitted to participate in this Issue), FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue. Eligible NRIs and FIIs are eligible to participate in the Issue. Further, as per existing regulations, OCBs cannot participate in the Issue. For further details, see the section “Regulations and Policies” on page no. 77.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

There is no reservation for any FIIs or Eligible NRIs and such FIIs or Eligible NRIs will be treated on the same basis with other categories for the purpose of allocation.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue issued capital.

In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital. As of now, the aggregate FIIs holding in our Company cannot exceed 24% of the total issued capital of our Company.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs:

The SEBI (Venture Capital Funds) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly, the VCF can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen 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. However, we shall update this Draft Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

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

ASBA Process

A Bidder (other than a QIB) shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the blocked amount of the ASBA Bidders within one day from the day of receipt of such notification.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. On submission of the ASBA Bid cum Application Form, the ASBA Bidders are deemed to have authorised (i) the SCSB to do all acts as are necessary to make the Application in the Offer, including uploading his/her Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA Bid cum Application Form, transfer of funds to the Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of Allotment; and (ii) the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA Bid cum Application Form, upon finalisation of the basis of Allotment.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, a Bidder (other than a QIB) can submit their application through ASBA process to bid for the Equity Shares of our Company.

A QIB is not permitted to submit an application through the ASBA Process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. ASBA Bidders who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less

than or equal to Rs. 100,000 in any of the Bidding options in the Issue, will be categorised as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders.

Information for the ASBA Bidders:

- (a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Draft Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.
- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- (c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch. In case the amount available in the bank account specified in the ASBA Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the application.
- (f) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form. No more than five ASBA Bid cum Applications can be submitted per bank account in the Issue.
- (g) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Draft Red Herring Prospectus.
- (b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- (c) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

- (d) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (e) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“**TRS**”). The TRS shall be furnished to the ASBA Bidder on request.
- (f) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected
- (g) 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.

Bidding

- (a) Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Draft Red Herring Prospectus to be filed with RoC and publish the same in two widely circulated newspapers (one each in English and Hindi) and in a regional newspaper. This advertisement shall contain the disclosures as prescribed under the SEBI Regulations. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the form prescribed in Schedule XIII of the SEBI Regulations. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form.
- (b) Our Company in consultation with the BRLM can revise the Price Band during the Bidding/Issue Period, in which case the Bidding/issue Period shall be extended further for a period of three additional working days, subject to the total Bidding/Issue Period being a maximum of 10 working days. 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 disclosed in the Draft Red Herring Prospectus. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and in a regional newspaper, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
- (c) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (d) 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.
- (e) In case of an upward revision in the Price Band, announced as above, the ASBA Bidders who had Bid at Cut-off Price could either (i) revise their ASBA Bid or (ii) instruct to block additional amount based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the CB or DB of the SCSBs to whom the original ASBA Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional amount blocked) exceeds Rs. 100,000 for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the ASBA Bidder does not either revise the ASBA Bid or instruct to block additional amount and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional amount would be required to be blocked from the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the 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 Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

- (a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - (i) it has received the ASBA in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Details of bid options, (a) number of equity shares for each Bid, (b) Bid rate for each Bid;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the 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 our Company, its management or any scheme or project of our Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.
- (c) During the Bid/Issue Period, any ASBA Bidder who has registered his/ her or its interest in the Equity Shares at a particular price level is free to revise his/ her or its Bid within the Price Band using the printed ASBA Revision Form, which is a part of the ASBA Bid cum Application Form. Revisions can be made in both the desired number of Equity Shares and the Bid Amount (including the price per Equity Share) by using the ASBA Revision Form. Apart from mentioning the revised options in the revision form, the ASBA Bidder must also mention the details of all the options in his/ her or its ASBA Bid cum Application Form or earlier ASBA Revision Form. For example, if an ASBA Bidder has Bid for three options in the ASBA Bid cum Application Form and he is changing only one of the options in the ASBA Revision Form, he is required to fill in the details of the remaining two options that are not being revised, in the ASBA Revision Form. The SCSB will not accept incomplete or inaccurate Revision Forms.
- (d) The ASBA Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.
- (e) Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.

- (f) When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (g) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- (h) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/Allotment.

Price Discovery and Allocation

After the Bid/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 to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” on page no. 239.

Advertisement regarding Price Band and Draft Red Herring Prospectus

A statutory advertisement will be issued by our Company after the filing of the Draft Red Herring Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Draft Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

Once the basis of allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account, within the timelines specified in the ASBA facility: (a) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in sub para(ii) above, shall be transferred to the Public Issue Account, (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. The SCSBs shall then unblock the relevant bank accounts for, (a) the transfer of the requisite money to the Public Issue Account against each valid ASBA, (b) the withdrawn/rejected/unsuccessful ASBA Bids, (c) the excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date.

- (b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- (e) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or BRLM.
- (f) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (g) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- (h) Ensure that you have funds equal to Bid Amount available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (i) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (k) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- (l) Ensure that the name(s) and PAN 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.
- (m) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are a QIB.
- (b) Do not Bid for lower than the minimum Bid size.
- (c) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (d) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.
- (e) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (f) Do not more than five ASBA Bid cum Application Forms per bank account for the Issue.
- (g) Do not submit the GIR number instead of the PAN Number.
- (h) 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 Bid such that the Bid Amount does not exceed the maximum investments limits prescribed under law.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders, they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the Members of the Syndicate, or the Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application

money in the relevant bank account within one day of receipt of such instructions. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall ensure deletion of the withdrawn ASBA Bid from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one ASBA Bid cum Application Form. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in “Issue Procedure - Multiple Bids” on page no. 260.

Permanent Account Number

For details, see the section titled “Permanent Account Number or PAN” on page no.253

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository’s database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDINGS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under “Grounds for Technical Rejections” 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. Submission of more than five ASBA Bid cum Application Forms per account;
3. Age of first Bidder not given;
4. Bid made by QIBs;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Draft 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. ASBA Bid cum Application Forms not being signed by the account holder, if the account holder is different from the Bidder.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLM, the Syndicate Member and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled “other Regulatory and Statutory Discloser- Impersonation” on page no.229 .

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

Our Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders/Non-institutional Bidders. For details, see section titled "Issue Procedure- Basis of Allotment" on page no.254.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, who are Resident Individual Bidders (including HUFs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the Bidding options in the Issue will be categorized as Retail Individual Bidders. ASBA Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 100,000 will be categorised as Non-Institutional Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by the Company

In addition to the undertakings described under "Issue Procedure - Undertaking by the Company", with respect to the ASBA Bidders, our Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section titled "Issue Procedure- Utilisation of Issue Proceeds" on page no.261.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 1956

[COMPANY LIMITED BY SHARES]

ARTICLES OF ASSOCIATION

OF

DEV PROCON LIMITED

INTERPRETATION

1. Subject as hereinafter provided, the Regulations contained in Table “A” in the First Schedule to the Companies Act, 1956 shall apply to this Company. All references herein contained to any specified Regulations of Table “A”, shall be inclusive of the first and the last Regulations referred to and in case of any conflict between the provisions herein contained and the incorporated Regulation of Table “A” the provisions herein contained shall prevail.

2. In these present regulations, the following words and expressions shall have the following meanings, unless excluded by the subject or context;

(a) “The Company” or “This Company” means DEV PROCON LIMITED.

(b) “The Act” means the Companies Act, 1956 and subsequent amendments thereto or any statutory modification or re-enactment thereof, for the time being in force.

(c) The term “Control” in relation to an entity, shall mean the legal or beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or controlling the majority of the composition of the Board of Directors or power to direct the management or policies of such entity by contract or otherwise. The term “controlling” and “controlled” shall be construed accordingly.

(d) “Annual General Meeting” means the annual general meeting of the Company convened and held in accordance with the Act.

(e) “Articles of Association” or “Articles” means these Articles of Association of the Company as originally framed or as altered from time to time by Special Resolution.

(f) “Board” or “Board of Directors” means the Directors of the Company collectively referred to in the Act.

(g) “Capital” means the share capital for the time being raised or authorized to be raised for the Purposes of the Company.

(h) “Debenture” includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.

(i) “Debenture holders” means the duly registered holders from time to time of the debentures of the Company and shall include in case of debentures held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

(j) “Directors” means the Directors for the time being of the Company and includes Alternate Directors.

(k) “Dividend” includes interim dividend unless otherwise stated.

(l) “Executor” or “Administrator” means a person who has obtained probate or Letters of Administration, as the case may be, from some competent court having effect in India and shall include the executor or Administrator or the holder of a certificate, appointed or granted by such competent court and authorised to negotiate or transfer the shares of the deceased member.

- (m) “Extraordinary General Meeting” means an extraordinary meeting of the Company convened and held in accordance with the Act.
- (n) “Financial Year” shall have the meaning assigned thereto by Section 2 (17) of the Act.
- (o) “Managing Director” shall have the meaning assigned thereto in the Act.
- (p) “Member” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the Beneficial Owners whose names are recorded such with the Depository.
- (q) “Month” means the English Calendar month.
- (r) “Office” means the Registered Office, for the time being of the Company.
- (s) “Officer” shall have the meaning assigned thereto by the Act.
- (t) “Ordinary Resolution” shall have the meaning assigned thereto by the Act.
- (u) “Paid up” includes “credited as paid up”.
- (v) “Person” shall include any Association, Corporation, Company as well as individuals.
- (w) “Proxy” includes Attorney duly constituted under a Power Attorney.
- (x) “Register” means the Register of Members to be kept pursuant to the said Act.
- (y) “Registrar” means the Registrar of Companies, Gujarat at Ahmedabad.
- (z) “Seal” means Common seal for the time being of the Company.
- (aa) “Secretary” means a Company Secretary within the meaning of clause (c) of sub -Section (1) of Section 2 of the Company Secretaries Act, 1980 and includes a person or persons appointed by the Board to perform any of the duties of a Secretary subject to the provisions of the Act.
- (bb) “Shares” means the equity shares of the Company unless otherwise mentioned.
- (cc) “Share Warrant” means share warrant issued pursuant to Section 114 of the Act.
- (dd) “Section” means Section of the Act.
- (ee) “Special Resolution” shall have the meaning assigned thereto by Section 189 of the Act.
- (ff) “Transfer” means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, assignment, transferor other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares, but excluding any renunciation of any right to subscribe for any shares offered pursuant to a rights issue to existing shareholders in proportion to their existing shareholding in the Company.
- (gg) “Writing” and “Written” means and includes words, hand written, printed, typewritten, lithographed, represented or reproduced in any mode in a visible form.
- (hh) Words importing the singular number include the plural and vice versa.
- (ii) “these Presents” or “Regulations” means these Articles of Association as originally framed or altered from time to time and include the Memorandum where the context so requires.

CAPITAL

3. Authorised Share Capital

The authorised share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

4. Shares at the Disposal of the Directors

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Without prejudice to the generality of the forgoing, the Directors shall also be empowered to issue Shares for the purposes of granting stock options to its permanent employees under the terms and conditions of the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 or any other applicable law, as amended from time to time. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

5. Consideration for Allotment

The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

6. Restriction on Allotment

- (a) The Directors shall in making the allotments duly observe the provision of the Act;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
- (c) Nothing therein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company

7. Increase of Capital

The Company at its general meeting may, from time to time, by an Ordinary Resolution increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular such shares may be issued with a preferential or qualified right to Dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.

8. Reduction of Capital

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its Capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the Capital may be paid off on the footing that it may be called up again or otherwise.

9. Sub-division and Consolidation of Shares

Subject to the provisions of Section 94 of the Act, the Company in general meeting, may by an Ordinary Resolution from time to time:

- (a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards Dividend capital or otherwise as compared with the

others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. New capital part of the existing capital

Except so far as otherwise provided by the conditions of the issue or by these presents any Capital raised by the creation of new shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

11. Power to issue Shares with differential voting rights

The Company shall have the power to issue Shares with such differential rights as to Dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.

12. Power to issue preference shares

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

13. Further Issue of Shares

(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 then

(i) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those share at that date.

(ii) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) 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 favor of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, most beneficial to the Company.

(b) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons {whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(i) If a Special Resolution to that effect is passed by the Company in general meeting, 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 favor of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the members who, being entitled to do so, vote in person, or where proxies are allowed by Proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) 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) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company:

(i) To convert such Debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(A) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(B) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in general meeting before the issue of the Debentures or raising of the loans.

14. Rights to convert loans into capital

Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the Debentures or loans raised by the Company to convert such Debentures or loans into shares or to subscribe for shares in the Company.

15. Allotment on application to be acceptance of shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these Articles, be a Member.

16. Returns on allotments to be made or Restrictions on Allotment

The Board shall observe the restrictions as regards allotment of shares to the public contained in Section 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.

17. Money due on shares to be a debt to the Company

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

18. Members or heirs to pay unpaid amounts:

Every Member or his heir's executors or administrators shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

SHARE CERTIFICATES

19. (a) Every Member entitled to certificate for his share

(i) Every Member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favor it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares.

(ii) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(iii) Particulars of every share certificate issued shall be entered in the Register against the name of the person, to whom it has been issued, indicating date of issue.

(b) Joint ownership of shares

Any two or more joint allottees of shares shall be treated as a single member for the purposes of this article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

(c) Director to sign Share Certificates

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other

mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

(d) Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to Debentures of the Company.

(e) Renewal of Share Certificate

When a new share certificate has been issued in pursuance of clause(d) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No..... sub-divided/replaced on consolidation of shares.

(f) When a new certificate has been issued in pursuance of clause (d) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is a duplicate issued in lieu of share certificate No..... The word „Duplicate“ shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of clauses (c), (d), (e) and (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register by suitable cross references in the “remarks” column.

(g) All blank forms, share certificates shall be printed only on the authority of a Resolution duly passed by the Board.

20. Rules to issue share certificates

The rules under “The Companies (Issue of Share Certificate) Rules, 1960 shall be complied with in the issue, reissue, renewal of share certificates and the format sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said rules. The Company shall keep ready share certificates for delivery within 2 months after allotment.

21. Responsibilities to maintain records

The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.

22. Rights of Joint Holders

If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of Dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of share shall be severally as well as jointly liable for payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company’s regulations.

23. Limitation of Time for Issue of Certificates

Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the

Directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

UNDERWRITING & BROKERAGE

24. Commission for placing shares, Debentures, etc

(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe whether absolutely or conditionally) for any shares, Debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, Debentures or debenture-stock of the Company

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

LIEN

25. Company's lien on Shares /Debentures

The Company shall have a first and paramount lien upon all the shares /Debentures (other than fully paid up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/Debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all Dividends and bonuses from time to time declared in respect of such shares/Debentures. Unless otherwise agreed, the registration of a transfer of shares/Debentures shall operate as a waiver of the Company's lien if any, on such shares/Debentures. The Directors may at any time declare any shares/Debentures wholly or in part to be exempt from provisions of this clause.

26. Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

27. Application of sale proceeds

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

28. Board to have right to make calls on shares

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and the Member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in general meeting.

29. Notice for call

Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.

30. Call when made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call

shall deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.

31. Liability of joint holders for a call

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

32. Board to extend time to pay call

The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the Members The Board may be fairly entitled to grant such extension, but no Member shall be entitled to such extension, save as a matter of grace and favour.

33. Calls to carry Interest

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

34. Dues deemed to be calls

Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. Proof of dues in respect of share

On any trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the Members in respect of whose shares the money is sought to be recovered appears entered in the Register as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

36. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

37. Payment in anticipation of call may carry interest

(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or Dividend. The Directors may at any time repay the amount so advanced.

(b) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

FORFEITURE OF SHARES

38. Board to have right to forfeit shares

If any Member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

39. Notice for forfeiture of shares

(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.

40. Effect of forfeiture

If the requirements of any such notice as aforesaid were not complied with, every or any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

41. Notice of forfeiture

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member on whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

42. Forfeited share to be the property of the Company

Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.

43. Member to be liable even after forfeiture

Any Member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

44. Claims against the Company to extinguish on forfeiture

The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

45. Evidence of forfeiture

A duly verified declaration in writing that the declaring is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

46. Effecting sale of shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person.

47. Certificate of forfeited shares to be void

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and have no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

48. Board entitled to cancel forfeiture

Maybe the Board at any time before any share so forfeited ought to have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

49. Register of Transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.

50. Endorsement of Transfer

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

51. Instrument of Transfer

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

52. Executive transfer instrument

Every such instrument of transfer shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register in respect thereof. The instrument of transfer shall be in respect of same class of shares and should be in the form prescribed under the Act.

53. Closing Register of transfers and of Members

The Board shall be empowered, on giving not less than seven days notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated, to close the transfer books, the Register, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

54. Directors may refuse to register transfer

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or transmission by operation of law of the right to, any shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except when the Company has a lien on the shares.

55. Transfer of partly paid shares

Where in the case of partly paid shares, an application for registration is to be made by the transferor; the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

56. Survivor of joint holders recognized

In case of the death of any one or more persons named in the Register as the joint -holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

57. Title to shares of deceased members

The executors or administrators or holders of a succession certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having

any title to the shares registered in the name of such Member, and the Company shall be bound to recognize such executors or administrators or holders of a succession certificate or the legal representatives shall have first obtained probate holders or letter of administration or succession certificate as the case may be, from a duly constituted court in the Union of India., Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of probate or letter of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member

58. Transfers not permitted

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.

59. Transmission of shares

Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Articles, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.

60. Rights on Transmission

A person entitled to a share by transmission shall, subject to the Directors right to retain such Dividends or money as hereinafter provided, be entitled to receive and may give discharge for any Dividends or other moneys payable in respect of the share

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61. Instrument of transfer to be stamped

Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

62. Share Certificates to be surrendered

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.

63. No fee on Transfer or Transmission

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

64. Company not liable to notice of equitable rights

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

65. Dematerialization Of Securities

(a) Definitions: For the purpose of this Article:

“Beneficial Owner” means a person whose name is recorded as such with a depository.

“Bye-Laws” mean Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

“Depositories Act” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“Depository” means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

“Member” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

“Participant” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“Record” includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“Registered Owner” means a depository whose name is entered as such in the records of the Company.

“SEBI” means the Securities and Exchange Board of India

“Security” means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(b) Company to recognize interest in dematerialized Securities under the Depositories Act.

Either the Company or the investor may exercise an option to issue, de-link, hold the Securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(c) Dematerialisation/Re-materialisation of Securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, re-materialize its Securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(d) Option to receive security certificate or hold Securities with Depository

Every person subscribing to or holding Securities of the Company shall have the option to receive the security certificate or hold Securities with a Depository. Where a person opts to hold a Security with the Depository, the Company shall intimate such Depository of the details of allotment of the Security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the Beneficial Owner of that Security.

(e) Securities in electronic form

All Securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the Securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Beneficial Owner deemed as absolute owner

Except as ordered by the court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the Register as the holders of any share or whose name appears as the

Beneficial Owner of the shares in the Records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(g) Rights of Depositories and Beneficial Owners

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security on behalf of the Beneficial Owner.

Save as otherwise provided above, the Depository is the registered owner of the Securities, and shall not have any voting rights or any other rights in respect of the Securities held by it.

Every person holding Securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the right and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository

(h) Register and index of Beneficial Owners

The Company shall cause to be kept a Register and Index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a branch register of Members resident in that State or Country.

(i) Cancellation of certificates upon surrender by person

Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificates and shall substitute in its Record, the name of the Depository as the Registered Owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of documents

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where Securities are held in a Depository, the record of the Beneficial Ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(k) Allotment of Securities

Where the Securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant Securities to the Depository on allotment of such Securities.

(l) Transfer of Securities

The Company shall keep a register of transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of Securities held in Depository.

(m) Distinctive number of Securities held in a Depository

The shares in the Capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be subdivided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(n) Provisions of Articles to apply to shares held in Depository

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

(o) Depository to furnish inform

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(p) Option to opt out in respect of any such Security

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.

(q) Overriding effect of this Article

Provisions of the Articles will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

66. Nomination Facility

(a) Every holder of shares, or holder of Debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or Debentures of the Company shall rest in the event of his death.

(b) Where the shares in or Debentures of the Company or held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company shall rest in the event of death of all the joint holders.

(c) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or Debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or Debentures of the

Company, the nominee shall, on the death of the shareholder or Debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or Debentures of the Company or as the case may be all the joint holders in relation to such shares in or Debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(d) Where the nominee is a minor it shall be lawful for the holder of shares or Debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or Debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(i) Registered himself as holder of the shares or Debentures as the case may be, or

(ii) To make such transfer of the share or Debenture as the case may be, as the deceased Shareholder or Debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or Debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased share holder or Debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer where a transfer is signed by that shareholder or Debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or Debenture by reason of the death of the holder shall be entitled to same Dividends and other advantages to which he would be entitled if he were the registered holder of the share or Debenture, except that he shall not, before being registered a Member in respect of his share of Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or Debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all Dividends, bonus, or other monies payable in respect of the share or Debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

67. Buy Back Of Shares

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repopulation(s) or re-enactment(s) thereof.

68. Copies of memorandum and articles to be sent to members

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of such sum as may be prescribed.

SHARE WARRANTS

69. Rights to issue share warrants:

(a) The Company may issue Share Warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

70. Rights of warrant holders:

(a) The bearer of the Share Warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a Member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the Share Warrant.

(c) The Company shall, on two days written notice, return the deposited Share Warrant to the depositor.

71. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share Warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a Share Warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register as the holder of the shares included in the warrant, and he shall be Member of the Company.

72. Board to make rules

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new Share Warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

73. Rights to convert shares into stock & vice-versa

The Company in general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable,

so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

74. Rights of stock holders

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

GENERAL MEETINGS

75. Annual General Meetings

The Company shall, in addition to any other meetings hold a general meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

76. Extraordinary General Meetings

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

77. Extraordinary General Meetings on requisition

The Board shall on, the requisition of Members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.

78. Notice for General Meetings

All general meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the share-holders and to such persons as are under Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member shall not invalidate the proceedings of any general meeting.

79. Shorter Notice admissible

With the consent of all the Members entitled to vote, at an Annual General Meeting or with the consent of the Members holding 95 percent of such part of the paid -up share capital of the Company as gives a right to vote thereat, any general meeting may be convened by giving a shorter notice than twenty one days.

80. Special and Ordinary Business

(a) All business shall be deemed special that is transacted at an Extraordinary General Meeting and also that is transacted at an Annual General Meeting with the exception of sanctioning of Dividend, the consideration of the accounts, balance sheet and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation and the appointment of and the fixing up of the remuneration of the auditors.

(b) In case of special business as aforesaid, an explanatory statement as required under Section 173 of the Act shall be annexed to the notice of the meeting.

81. Quorum for General Meeting

Five Members or such other number of Members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the meeting.

82. Time for quorum and adjournment

If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if called upon the requisition of Members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum.

83. Chairman of General Meeting

Unless otherwise decided by the Board, the Members personally present in the meeting shall elect one of themselves to be the chairman thereof on a show of hands.

84. Election of Chairman

If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the Members present shall choose someone of their number to be the Chairman.

85. Adjournment of Meeting

The Chairman may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

86. Voting at Meeting

At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

87. Decision by poll:

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

88. Casting vote of Chairman

In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a Member.

89. Poll to be immediate

(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn.

90. Passing resolutions by Postal Ballot

(a) Notwithstanding any of the provisions of these Articles the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.

VOTE OF MEMBERS

91. Voting rights of Members

(a) On a show of hands every Member holding equity shares and present in person shall have one vote.

(b) On a poll, every Member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a Member having more than one vote, or his Proxy or other persons entitled to vote for him need not use all his votes in the same way.

92. Voting by joint-holders

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by Proxy shall be accepted to the exclusion of the votes of other joint holders.

93. No right to vote unless calls are paid

No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

94. Proxy

On a poll, votes may be given either personally or by Proxy.

95. Instrument of proxy

The instrument appointing a Proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if appointed by a corporation either under its Seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a Member of the Company may be appointed as a Proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

96. The form of proxy shall be two way proxy as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

97. Validity of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

98. Corporate Members

Any corporation which is a Member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company.

DIRECTOR

99. Number of Directors

Unless otherwise determined by general meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

100. Share qualification not necessary

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

101. Director's power to fill-up casual vacancy

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid

102. Additional Directors

The Board of Directors shall have power at any time and from time to time to appoint one or more persons as additional Directors provided that the number of Directors and additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual

General Meeting of the Company and shall be eligible for re-election by the Company at that meeting.

103. Alternate Directors

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director are determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

104. Remuneration of Directors

Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place.

105. Remuneration for extra services

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as Member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

106. Continuing Director may act

The continuing Directors may act notwithstanding any vacancy in the Board but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a general meeting of the Company but for no other purpose.

107. Vacation of office of Director

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act.

108. Equal power to Director:

Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION AND RETIREMENT OF DIRECTOR

109. One-third of Directors to retire every year

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director, appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

110. Retiring Directors eligible for re-election

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

111. Which Director to retire

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

112. Retiring Director to remain in office till successors appointed

Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place

of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up the vacancy and not to appoint the retiring director, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting the place of the returning Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting

113. Increase or reduction in the number of Directors

Subject to the provisions of Section 252, 255, 259 of the Act, the Company in general meeting may by Ordinary Resolution increase or reduce the number of its Directors.

114. Power to remove Director by ordinary resolution

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in general meeting remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

115. Right of persons other than retiring Directors to stand for Directorship

A person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other Member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such Member to propose him as a candidate for that office as the case may be, along with the prescribed deposit amount which shall be refunded to such person or as the case may be, to such Member if the person succeeds in getting elected as Directors.

116. Subject to the provisions of Section 297, 299, 300, 302 and 314 of the Act, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract, or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a Member or otherwise interested be avoided nor shall any Director so contracting or being such Member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.

117. Directors not liable for retirement

The Company in general meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

118. Director for subsidiary Company

Directors of this Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or Member of such Company.

119. Meetings of the Board

(a) The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

120. Quorum

(a) The quorum for a meeting of the Board shall be one -third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be

the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time.

(b) In the absence of quorum, unless decided otherwise by the Board, the meeting of the Board will automatically stand adjourned till the same day next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

121. Questions how decided

(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director.

122. Right of continuing Directors when there is no quorum

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or of summoning a general meeting of the Company but for no other purpose.

123. Election of Chairman of Board

(a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.

(b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the Meeting.

124. General powers of the Board

Subject to the provisions of Section 291 and 293 of the Act and other applicable provisions, the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is authorised to exercise and do. However, the Board shall not exercise any power or do any act of thing which is directed or required to be done, whether by this or any other legislation or prescribed by the Board, to be exercised or done by the Company in the general meeting. Further, in exercising any such powers or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this or any other legislation, or in the Articles or in any other regulations not inconsistent therewith and duly made there under, including regulations made by the Company in general meeting.

125. Delegation of Powers

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

126. Election of Chairman of Committee

(a) If the Chairman of the Board is a member of the Committee, he shall preside over all Meetings of the Committee, if the Chairman is not a member thereof, the committee may elect a Chairman of its meeting. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one among themselves to be the Chairman of the Meeting.

(b) The quorum of a committee may be fixed by the Board of Directors.

127. Questions how determined

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by the sole Member of the committee or by a majority of votes as the members present as the case may be and in case of an equality of vote the Chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

128. Validity of acts done by Board or a Committee

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

129. Resolution by Circulation

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of the Board or committee duly convened and held. 0. (a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of Debentures, perpetual or otherwise, including Debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

131. Assignment of debentures

Such Debentures may be assignable free from any equities between the Company and the person to whom the same may be issued.

132. Terms of Issue of Debentures

Any Debentures may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by a Special Resolution.

133. Debenture Directors

Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the

Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.

134. Nominee Directors

(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold Debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

135. Register of Charges

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

136. Subsequent assigns of uncalled capital

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same, subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

137. Charge in favour of Director for Indemnity

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

138. Powers to be exercised by Board only by Meeting

(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the Meeting of the Board:

- (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
- (ii) Power to issue Debentures;
- (iii) Power to borrow money otherwise than on Debentures;
- (iv) Power to invest the funds of the Company;
- (v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may be invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

MANAGING DIRECTOR(S)/ WHOLE-TIME DIRECTOR(S)

139. (a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director or Whole -time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

If a Managing Director or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.

The Managing Director or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

140. Powers and duties of Managing Director or whole-time Director

The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

141. Remuneration of Managing Directors/whole time Directors

Subject to the provisions of the Act and subject to such sanction of Central Government/Financial Institutions as may be required for the purpose, the Managing Directors/whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.

142. Reimbursement of expenses

The Managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

143. Business to be carried on by Managing Directors/ Whole time Directors

(a) The Managing Directors\whole-time shall have subject to the supervision, control and discretion of the broad, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by Board of Directors and also subject to such conditions or restriction imposed by the Act or by these presents.

(b) Without prejudice to the generally of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/ Whole time Director and he shall have all the powers except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

(c) The Board may, from time to time delegate to the Managing Director or Whole time Director such powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by the Board or by these presents.

COMMON SEAL

144. Custody of Common Seal

The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

145. Seal how affixed

The Seal shall not be affixed to any instrument except by authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and / or authorised signatory as the Board may appoint for the purpose. Every deed or other instrument to which the Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by that Director and / or authorised signatory aforesaid in whose presence the Seal shall have been affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.

146. Right to Dividend

(a) The profits of the Company, subject to any special rights, relating thereto created or authorised to be created by these presents and subject to the provisions of the presents as to the reserve fund, shall be divisible among the Members in proportion to the amount of Capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such Dividend is declared and in the case of interim Dividends on the close of the last day of the period in respect of which such interim Dividend is paid.

(b) Where Capital is paid in advance of calls, such Capital shall not, confer a right to participate in the profits.

147. Declaration of Dividends

The Company in general meeting may declare Dividends but no Dividend shall exceed the amount recommended by the Board.

148. Interim Dividends

The Board may from time to time pay to the Members such interim Dividends as appear to them to be justified by the profits of the Company.

149. Dividends to be paid out of profits

No Dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

150. Reserve Funds

(a) The Board may, before recommending any Dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to

which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing Dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may think prudent not to appropriate to reserves.

151. Deduction of arrears

The Board may deduct from any Dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

152. Adjustment of dividends against calls

Any general meeting declaring a Dividend may make a call on the Members as such amount as the meeting fixed, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend may, if so arranged between the Company and the Members be set off against the call.

153. Receipt of joint holder

Any one of two or more joint holders of a share may give effectual receipt for any Dividends, or other moneys payable in respect of such shares.

154. Notice of dividends

Notice of any Dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

155. Dividends not to bear interest

No Dividends shall bear interest against the Company.

156. Transfer of shares not to pass prior to dividends

Subject to the provisions of Section 206 A of the Act, any transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

157. Unpaid or Unclaimed Dividend

(a) Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall transfer the total amount of Dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank called "□ Unpaid Dividend Account".

(b) Any money transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investors Education and Protection Fund established under Section 205C of the Act.

(c) No unclaimed or unpaid Dividend shall be forfeited by the Board.

CAPITALISATION OF PROFITS

158. Capitalization of Profits

(a) The Company in general meeting may, on recommendation of the Board resolve:

- (i) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
- (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of Dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

- (i) Paying up any amounts for the time being unpaid on shares held by such Members respectively

- (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
- (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

159. Power of Directors for declaration of bonus issue

(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
- (ii) Generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and also
- (ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such Members,,,,, credited as fully paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalized of the amounts or any parts of the amounts remaining unpaid on the shares.

(c) Any agreement made under such authority shall be effective and binding on all such Members.

ACCOUNTS

160. Books of Account to be kept

(a) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure takes place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.

(b) If the Company shall have a Branch Office, whether in or outside India, proper books of account relating to the transactions effected at the office shall be kept at that office, and proper summarized returns made up to date at intervals of not more than three months, shall be sent by Branch Office to the Company at its registered office or to such other place in India, as the Board thinks fit where the main books of the Company are kept.

(c) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its Branch Office, as the case may be with respect to the matters aforesaid, and explain its transactions.

161. Where Books of accounts to be kept

The Books of Account shall be kept at the Registered Office or subject to the provisions of Section 209 of the Act, at such other place in India as the Directors think fit.

162. Inspection by Members

No member (not being a Director) shall have any right of inspecting any account or books or Documents of the Company except as conferred by statute.

163. Boards Report to be attached to Balance Sheet

(a) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts if any, which it proposes to carry to any Reserves in such Balance Sheet; and the amount, if any which it recommends to be paid by way of Dividend, material changes and commitments, if any, effecting the financial positions of the Company which have occurred between the end of the Financial Year of the Company to which the Balance Sheet related and the date of report.

(b) The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company's business, or in the Company's subsidiaries or in nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Boards Report shall also include a statement showing the name of every employee of the Company who was in receipt of such sum as remuneration as may be prescribed by the Act or the Central Government from time to time during the year to which the Report pertains.

(d) The Board shall also give the fullest information and explanation in its report in cases falling under the proviso to Section 222 on every reservation, qualification or adverse remark contained in the auditors Report.

(e) The Board shall have the right to charge any person being a Director with a duty of seeing that the provisions of sub-clauses (1) to (3) of this Article are complied with.

AUDIT

164. Accounts to be audited

Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(a) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within seven days.

(b) Where at an Annual General Meeting, no Auditors are appointed; the Central Government may appoint a person to fill the vacancy.

(c) The Company shall within seven days of the Central Government's power under sub clause (c.) becoming exercisable, give notice of that fact to the Government.

(d) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(e) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with provisions of Section 190 and all the other provision of Section 225 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(f) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

(g) None of the persons mentioned in Section 226 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

165. Audit of Branch Offices

The Company shall comply with the provisions of the Act in relation to the audit of the accounts of Branch Offices of the Company.

166. Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Board as authorized in General Meeting from time to time.

167. Service of document on the Company

A document may be served on the Company or an Officer by sending it to the Company or Officer at Registered Office of the Company by post under a certificate of posting or by Registered Post, or by leaving it at the

Registered Office.

SERVICE OF DOCUMENTS AND NOTICE

168. How -Document is to be served on member

(a) A document (which expression for this purpose shall be deemed to have included and include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company) may be served or sent to the Company on or to any Member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the service of notice to him.

(b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and the notice so given shall be sufficient notice to all the holders of such share.

(c) Where a document is sent by post:

(i) Service thereof shall be deemed to be effected by properly addressing, paying and posting a letter containing the notice provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and

(ii) Unless the contrary is provided, such service shall be deemed to have been effected

(A) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted; and

(B) In any other case, at the time at which the letter would be delivered in ordinary course of post.

169. Members to notify address in India

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place or residence.

170. Service on members having no registered address

If a Member has no registered address in India, and has not supplied to the Company an address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.

171. Service on persons acquiring shares on death or insolvency of members

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

172. Persons entitled to notice of general meetings

Subject to the provisions of the Act and these Articles, notice of general meeting shall be given

(i) To the Members of the Company as provided by these presents

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Member.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

173. Notice by advertisement

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Registered Office is situated.

174. Members bound by document given to previous holders

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares

shall be bound by every document in respect of such share which, previously to his name and address being entered in the register, shall have been duly served on or sent to the person from whom he derived his title to such share.

175. Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

176. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized Officer of the Company and need not be under its Seal.

WINDING UP

177. Application of assets

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

178. Division of assets of the Company in specie among members

if the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a Special Resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

179. Director's and others' right to indemnity

(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favor or in which he is acquitted or discharged or in connection with any application under Section. 633 of the Act in which relief is given to him by the court.

180. Not responsible for acts of others

(a) Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own wilful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECRECY CLAUSE

181. Secrecy

No Member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the Members of the Company to communicate to the public.

182. Duties of Officers to observe secrecy

Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to in paragraph .A. below (not being entered into the ordinary course of business carried on or intended to be carried on by the company or contracts entered into more than two years before the date of this DRHP) which are or may be deemed to be material have been entered into by or on behalf of our Company. Copies of these contracts together with copies of the documents referred to in Para (B) below have been attached with the offer document and delivered to the Registrar of Companies, Gujarat, Ahmedabad for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company at . "Dev House", Beside Rajpath Club, Nr Sankalp Restaurant, S G Highway, Ahmedabad - 380059 Gujarat, India between 10.00 a.m. and 4.00 p.m. on any working day until the Bid/Issue Closing Date.

A. MATERIAL CONTRACTS

1. MOU dated May 27, 2010 between our Company and Nirbhay Capital Services Private Limited to act as Book Running Lead Manager to the Issue.
2. MOU dated March 30, 2010 between our Company and Bigshare Services Private Limited to act as the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the BRLM, the Escrow Collection Bank(s) and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, BRLM and other Syndicate Members.
6. Due Diligence Certificate dated August 16, 2010 form the Book Running Lead Manager.
7. Tripartite Agreement dated [●]between our Company, NSDL and Registrar to the Issue.
8. Tripartite Agreement dated [●] between our Company, CDSL and Registrar to the Issue.

B. DOCUMENTS OF INSPECTION

1. Memorandum and Articles of Association of the issuer company.
2. Certificate of Incorporation of the Issuer Company, certificate of incorporation consequent upon change of name to Dev Procon Private Limited, and certificate of incorporation consequent to change of name on conversion to Public Limited Company.
3. Copies of the special resolution passed by the shareholders at their meeting held on April 15, 2010 under section 81(1A) of the Companies Act, 1956.
4. Resolution passed by the Board of Directors dated March 20, 2010 for going for Initial Public Offer.
5. Resolution passed by the Board of Directors dated August 23, 2010, [●] and [●] approving the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively.
6. Consents from the Directors, Book Running Lead Manager, Registrars, Bankers to the issue, Bankers to our Company, Legal Advisor, Auditors, and Company Secretary & Compliance Officer to act in their respective capacities.
7. Consent of [●] dated [●], a SEBI registered credit rating agency, for inclusion of its grading of the Issue in the Red Herring Prospectus.
8. Auditors' Certificate dated July 31, 2010 regarding tax benefits available to our Company and their consent to include the same in the offer document.
9. Auditors' certificate dated August 01, 2010 regarding Sources and Deployment of the Funds incurred on the project and their consent to include the same in the offer document.
10. Auditors' Report of our Company dated August 01, 2010 referred in the offer document and their consent to include the same in the offer document.
11. Resolution of the Board of Directors of our Company dated April 01, 2010 regarding formation of various committees
12. Copies of the Annual Reports of our Company for the year ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006.
13. Board Meeting Resolution dated January 6, 2010 regarding appointment of Mr. Sanjay H Thakkar as Chairman & Managing Director of our Company.
14. Board Meeting Resolution dated January 6, 2010 regarding appointment of Mr. Dipak A Thakkar as Whole Time Director of our Company.

15. Copies of Initial Listing applications made to Bombay Stock Exchange Ltd and The National Stock Exchange Ltd for listing of the equity shares of our Company dated [●] and [●] respectively.
16. Copies of the in principle approval received from BSE and NSE dated [●] and [●] respectively.
17. SEBI observation letter No [●] dated [●] and reply of BRLM to same dated [●].

DECLARATION

We declare that all the relevant provisions of the Companies Act, 1956 and the regulations/guidelines issued by the Government or the regulations/guidelines 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 or Securities and Exchange board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We, the directors of the Company declare and confirm that all statements in this Draft Red Herring Prospectus are true & correct.

We, the directors of the Company declare and confirm that no information / material likely to have a bearing on the decision of the investors in respect of the equity shares offered in terms of the Draft Red Herring Prospectus has been suppressed/withheld and/or incorporated in the manner that would amount to misstatement /misrepresentation and in the event of it transpiring at any point of time till allotment/refund as the case may be that any information / material has been suppressed/ withheld and or amounts to misstatement /misrepresentation we undertake to refund the entire application money to all the subscribers within seven days thereafter without prejudice to the provisions of the section 63 of the Act.

The Issuer accepts no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Signed by the Directors, Compliance officer, Finance Head & Company Secretary

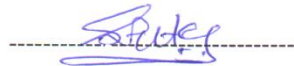
Mr. Sanjay H Thakkar
Chairman & Managing Director



Mr. Dipak A Thakkar
Whole-time director



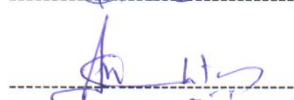
Mr. Sunilkumar N Patel
Additional Director



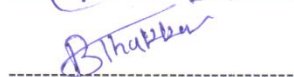
Mr. Hardayal T Manshani
Independent Director



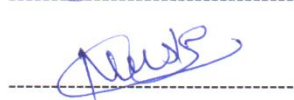
Mr. Sharad J Mehta
Independent Director



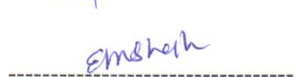
Mr. Bhupendra D Thakkar
Independent Director



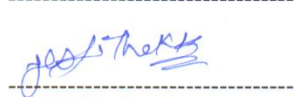
Mr. Ashok V Luste
Compliance Officer Cum Accounts Manager



Mrs. Ekta M Shah
Finance Manager



Ms. Yesha H Thakkar
Company Secretary



Place: Ahmedabad

Date: 23.08.2010