



GODREJ PROPERTIES LIMITED

(We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. For details of the change in our name and registered office, please refer to the section titled "General Information" beginning on page 14 of this Draft Red Herring Prospectus.)

Registered and Corporate Office: Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001

Company Secretary and Compliance Officer: Mr. Shodhan A. Kembhavi

Tel: (91 22) 6651 0200, Fax: (91 22) 2207 2044, Email: secretarial@godrejproperties.com, Website: www.godrejproperties.com

PUBLIC ISSUE OF 9,429,750 EQUITY SHARES OF RS. 10 EACH OF GODREJ PROPERTIES LIMITED ("GPL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 13.5% OF THE POST ISSUE PAID-UP CAPITAL OF THE COMPANY.*

**The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, then the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.*

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10 EACH

THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE

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

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

IPO GRADING

This issue has been graded by [●] and has been assigned the "IPO Grade [●]", indicating [●]. For details see the section titled "General Information" beginning on page 14 of this Draft Red Herring Prospectus and refer to "Annexures" beginning on page [●] of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the Issue that 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 information or the expression of any opinions or intentions, misleading in any material respect.

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE



ICICI Securities Limited
ICICI Centre
H. T. Parekh Marg
Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460/70
Fax: (91 22) 22826580
Email: gpl_ipo@icicld.com
Website: www.icicisecurities.com
Investor Grievance ID: customercare@icicld.com
Contact Person: Mr. Mrigesh Kejriwal
SEBI Registration No.: INM000011179



Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: gpl_ipo@kotak.com
Website: www.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704



Karvy Computershare Private Limited
"Karvy House", No. 46
Avenue 4, Street No. 1, Banjara Hills
Hyderabad 500 034
Tel: (91 40) 2342 0815-24
Fax: (91 40) 2342 0814
Email: gpl_ipo@karvy.com
Website: www.karvy.com
Investor Grievance ID: gpl_ipo@karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON [●]

BID/ISSUE CLOSES ON [●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company”, “GPL” or “Godrej Properties Limited”	Unless the context otherwise indicates or implies, refers to Godrej Properties Limited and its subsidiaries on a consolidated basis as described in this Draft Red Herring Prospectus

Company Related Terms

Term	Description
Articles or Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company, M/s. Kalyaniwalla & Mistry, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company or committees constituted thereof
Developable Area	Total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
Directors	Directors on the Board of our Company, as may be appointed from time to time, unless otherwise specified
Forthcoming Projects	Projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-agricultural/commercial/residential use has been submitted to the relevant authority and (iii) internal project development plans are complete
Key Management Personnel	Those individuals described in “Our Management – Key Management Personnel” on page 120 of this Draft Red Herring Prospectus
Land Reserves	Lands to which our Company has title, or land from which the Company can derive the economic benefit through a documented framework (such as with third party individuals or corporate entities), or where the Company has executed a joint development agreement or an agreement to sell or an MoU or an agreement to transfer the development rights to it
Memorandum or Memorandum of Association	Memorandum of Association of our Company
Ongoing Projects	Projects for which approval for construction has been granted by the relevant authority
Promoters	Godrej & Boyce Manufacturing Company Limited and Godrej Industries Limited

Term	Description
Promoter Group	Unless the context otherwise specifies, refers to those entities mentioned in the section titled “Our Promoters and Promoter Group” on page 123 of this Draft Red Herring Prospectus
Registered and Corporate Office of our Company	The registered office of the Company is located at Godrej Bhavan, 4 th Floor, 4A, Home Street, Fort, Mumbai – 400 001
Saleable Area	That part of the Developable Area relating to our economic interest in each property
Subsidiary(ies)	Godrej Realty Private Limited, Godrej Waterside Properties Private Limited, Godrej Developers Private Limited, Godrej Real Estate Private Limited, Godrej Sea View Properties Private Limited and Happy Highrises Limited

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Banker(s) to the Issue	The Banks which are clearing members and registered with SEBI as Bankers to the Issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in “Issue Procedure – Basis of Allotment” on page 334 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to the Equity Shares of our Company 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 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 English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation
Bid / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in a English national newspaper, a Hindi national newspaper and a Marathi newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids

Term	Description
Book Building Process/ Method	The book building process as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being I-Sec and KMCC
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business
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	Such price within the Price Band finalised by the Company in consultation with the BRLMs. A Bid submitted at cut off price is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000, are entitled to bid at cut off price. QIBs and Non-Institutional Bidders are not entitled to bid at the cut off price
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 Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated May 28, 2008 issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, which does not contain complete particulars of the price at which the Equity Shares are issued and the size of the Issue
Eligible NRI	NRIs from jurisdictions where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares pursuant to the terms of the Red Herring Prospectus
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Margin Amount when submitting a Bid and the remainder of the Bid Amount, if any
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLMs, the Syndicate Member and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form

Term	Description
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
I-Sec	ICICI Securities Limited, a company incorporated under the Companies Act and having its registered office at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020
Issue	Public Issue of 9,429,750 Equity Shares of Rs. 10 each of the Company for cash at a price of Rs. [●] per equity share (including a share premium of Rs. [●] per equity share) aggregating to Rs. [●] million. The Issue will constitute 13.5% of the post Issue paid-up capital of the Company. The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors. The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public
Issue Price	The final price at which Equity Shares will be Allotted in the Issue. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date
Issue Proceeds	The proceeds of the Issue that are available to the Company
KMCC	Kotak Mahindra Capital Company Limited a company incorporated under the Companies Act and having its registered office at 3 rd Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount, as applicable
Monitoring Agent	[●]
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the QIB Portion or 282,893 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion. The Company is considering a Pre-IPO Placement of up to 2,444,750 Equity Shares with certain investors. The Company will complete the issuance of such Equity Shares prior to the filing of the RHP with the RoC. If the Pre-IPO Placement is completed, the Mutual Fund Portion would be reduced proportionately with the reduction of the remainder of the Issue
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see “Objects of the Issue” on page 34 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 10% of the Issue consisting of 942,975 Equity Shares of Rs. 10 each available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price

Term	Description
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, with respect to the Bidders whose Margin Amount is less than 10% of the Bid Amount
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] per Equity Share and the maximum price (Cap Price) of Rs. [●] per Equity Share and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC after pricing in accordance with Section 60 of the Companies Act and the SEBI Guidelines, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid
QIB Portion	The portion of the Issue being at least 60% of Issue or 5,657,850 Equity Shares of Rs. 10 each to be Allotted to QIBs on a proportionate basis. A Pre-IPO Placement of up to 2,444,750 Equity Shares with certain investors is being considered by the Company and will be completed prior to the filing of the RHP with RoC. If the Pre-IPO Placement is completed, the QIB portion offered would be reduced proportionately with the reduction of the remainder of the Issue
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million eligible for bidding in the Issue and National Investment Fund
RHP or Red Herring Prospectus	The red herring prospectus issued in accordance with Section 60B of the Companies Act and the SEBI Guidelines, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made

Term	Description
Refund Banker	[●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited, having its registered office as indicated on the cover page of this Draft Red Herring Prospectus
Retail Individual Bidder(s)	Individual Bidders (including HUF applying through Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the Bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 30% of the Issue or 2,828,925 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s). A Pre-IPO Placement of up to 2,444,750 Equity Shares with certain investors is being considered by the Company and will be completed prior to the filing of the RHP with RoC. If the Pre-IPO Placement is completed, the retail Portion offered would be reduced proportionately with the reduction of the remainder of the Issue
Revision Form	The form used by the Bidders to modify the quantity their Bids or any previous revisions to the Bids
Stock Exchanges	BSE and NSE
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Member
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company for the collection of Bids
Syndicate Member	Kotak Securities Limited
TRS/ 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 BRLMs and the Syndicate Member
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956 and amendments thereto
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited

Term	Description
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's identification
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
IT	Information Technology
ITES	Information Technology Enabled Services
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering

Term	Description
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which at least 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. OCBs are not allowed to invest in this Issue
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Mumbai, Maharashtra located at Everest, 100 Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Term	Description
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
SEZ	Special Economic Zone
SIA	Secretariat for Industrial Assistance
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state of India
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$	United States Dollars

Technical/Industry Related Terms

Term	Description
Acre	Equals 43,560 sq. ft.
FSI	Floor Space Index, which means the quotient of the ratio of the combined gross floor area of all floors, excepting areas specifically exempted, to the total area of the plot
IOD	Intimation of Disapproval
LOI	Letter of Intent
sq. ft.	square feet
sq. metres	square metres
TDR	Transferable Development Rights, which means when in certain circumstances, the development potential of land may be separated from the land itself and may be made available to the owner of the land in the form of transferable development rights.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

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

There are significant differences between Indian GAAP and IFRS or US GAAP. We have not attempted to quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

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

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or are to United States Dollars, the official currency of the United States of America. The noon buying rate of the Federal Reserve Bank of New York was Rs. 42.50 per U.S.Dollar as on May 20, 2008.

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated above or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

The conversion factor from acres to square foot is 1 acre = 43,560 square feet.

SUMMARY OF SIGNIFICANT DIFFERENCES AMONG INDIAN GAAP, U.S. GAAP AND IFRS

Our Company's financial statements are prepared in conformity with Indian GAAP, which differs in certain significant respects with U.S. GAAP and IFRS. Such differences involve methods for measuring the amounts shown in the financial statements of our Company, as well as additional disclosure required by U.S. GAAP and IFRS, which our Company has not prepared. The areas in which differences between Indian GAAP as compared to U.S. GAAP and IFRS could be significant to our Company's financial statement are summarized below. Potential investors should not construe this summary to be exhaustive or complete and should consult with their own professional advisors for a complete understanding and impact on the financial statements provided in this Draft Red Herring Prospectus.

Further, our Company has not prepared financial statements in accordance with U.S. GAAP or IFRS. Accordingly, there can be no assurance that the summary is complete or that the differences described would give rise to the most material differences between Indian GAAP, U.S. GAAP and IFRS. In addition, we cannot presently estimate the net effect of applying U.S. GAAP or IFRS on our Company's financial statements provided in this Draft Red Herring Prospectus, which may result in material adjustments when compared to Indian GAAP.

Further, no attempt has been made to identify future differences between Indian GAAP, U.S. GAAP and IFRS as a result of prescribed changes in accounting standards.

Subject	Indian GAAP	U.S. GAAP	IFRS
Historical Cost	Uses historical cost, but property, plant and equipment may be revalued. No comprehensive guidance on derivatives and biological assets.	No revaluations except certain securities and derivatives at fair value.	Uses historical cost, but intangible assets, property, plant and equipment and investment property may be revalued. Derivatives, biological assets and certain securities must be revalued.
First-time Adoption of Accounting Frameworks	First-time adoption of Indian GAAP requires retrospective application. In addition, particular standards specify treatment for first-time adoption of those standards.	Similar to Indian GAAP.	Full retrospective application of IFRS effective at the reporting date for an entity's first IFRS financial statements, with some optional exemptions and limited mandatory exceptions.
Changes in Accounting Policy	Include effect in the income statement for the period in which the change is made except as specified in certain standards (transitional provisions) where the change during the transition period resulting from adoption of the standard has to be adjusted against opening retained earnings and the impact needs to be disclosed.	With the adoption of FAS 154, similar to IFRS. Prior to FAS 154, the effect of change, net of tax, was included in current year income statement. Pro forma comparatives were disclosed. Retrospective adjustments for specific items.	Restate comparatives unless specifically exempted and effect of periods not presented is adjusted against opening retained earnings.

Subject	Indian GAAP	U.S. GAAP	IFRS
Correction of Errors	Include effect in the current year income statement. The nature and amount of prior period items should be separately disclosed in the statement of profit and loss in a manner that their impact on current profit or loss can be perceived.	Similar to IFRS.	Restatement of comparatives is mandatory.
Contents of Financial Statements — General	Balance sheet, profit and loss account, cash flow statement, accounting policies and notes are presented for the current year, with comparatives for the previous year. Public listed company: Consolidated financial statements along with the standalone financial statements are required.	Similar to IFRS, except three years required for U.S. public companies for all statements except balance sheet where two years are provided.	Comparative two years' balance sheets, income statements, cash flow statements, change in shareholders' equity and accounting policies and notes.
Balance Sheet	Accounting standards do not prescribe a particular format; certain items must be presented on the face of the balance sheet. Formats are prescribed by the Companies Act and other industry regulations such as in the banking and insurance industries.	Entities may present either a classified or non-classified balance sheet. Items on the face of the balance sheet are generally presented in decreasing order of liquidity.	IFRS does not prescribe a particular format. A liquidity presentation of assets and liabilities is used, instead of a current/ non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain minimum items are presented on the face of the balance sheet.
Income Statement	Indian GAAP does not prescribe a standard format; but certain income and expenditure items are disclosed in accordance with accounting standards and the Companies Act. Industry-specific formats are prescribed by industry regulations.	To be presented as either in a single-step (where all expenses are classified by function and are deducted from total income to give income before tax) or multiple step (where cost of sales is deducted from sales to show gross profit, and other income and expense are then presented to give income before tax). Expenditures are presented by function.	IFRS does not prescribe a standard format, although expenditure is presented in one of two formats (function or nature). Certain minimum items must be presented on the face of the income statement.

Subject	Indian GAAP	U.S. GAAP	IFRS
Statement of Recognised Income and Expense / Other Comprehensive Income and Statement of Accumulated Other Comprehensive Income	Not Required.	Total comprehensive income and accumulated other comprehensive income are disclosed, presented either as a separate primary statement or combined with the income statement or with the statement of changes in shareholders' equity.	A Statement of recognized income and expense can be presented as a primary statement, in which case a statement of changes in shareholders' equity is not presented. Alternatively, it may be disclosed separately in the primary statement of changes in shareholders' equity.
Statement of Changes in Shareholders' Equity	No separate statement required. However, any adjustments to equity and reserve account are shown in the schedules / notes accompanying the financial statements.	The statement is presented as a primary statement. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity. The information may be included in the notes.	The statement is presented as a primary statement except when statement of recognized income and expense is presented. In such case, only disclose in the notes. The statement shows capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.
Cash Flow Statement	Cash flows from operating, investing and financing activities are classified separately. Inflows and outflows of cash and cash equivalents are reported in cash flow statement. The cash flow statement may be prepared using the direct or indirect method. However, indirect method is required for listed companies and direct method for insurance companies.	Cash flows from operating, investing and financing activities are classified separately. The cash flow statement provides relevant information about cash receipts and cash payments. U.S. Securities and Exchange Commission encourages the direct method but however the indirect method is permitted and more common in practice.	Cash flows from operating, investing and financing activities are classified separately. The cash flow statement may be prepared using the direct or indirect method. The indirect method is more common.
Cash and Cash Equivalents	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date.	Similar to IFRS, except bank overdrafts are not included in cash and cash equivalents. Changes in the balances of overdrafts are classified as financing cash flows, rather than being included within cash and cash equivalents.	Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a maturity of three months or less from its acquisition date. Cash may also include bank overdrafts repayable on demand but not short-term bank borrowings, which are considered to be financing cash flows.

Subject	Indian GAAP	U.S. GAAP	IFRS
Consolidation	Based on voting control or control over the composition of the board of directors or the governing body. Control exists when (a) parent owns, directly or indirectly through subsidiaries, more than one half of an entity's voting power or (b) it controls composition of an entity's board of directors so as to obtain economic benefit from its activities. The existence of currently exercisable potential voting rights is not taken into consideration.	A bipolar consolidation model is used, which distinguishes between a variable interest model and a voting interest model. Control can be direct or indirect and may exist with a lesser percentage of ownership (voting interest model). "Effective control", which is similar notion to de facto control under IFRS, is very rare if ever employed in practice.	Based on voting control or power to govern. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise. Control also exist when the parent owns half or less of the voting power but has legal or contractual rights to control, or de facto control (rare circumstances). The existence of currently exercisable potential voting rights is not taken into consideration. Special purpose entities ("SPEs") controlled by an entity are also consolidated.
Types of Business Combinations	No comprehensive accounting standard on business combinations. All business combinations are acquisition; except uniting of interests method is used in certain amalgamations when all the specified conditions are met. Accounting would differ for following: • an entity acquired and held as a subsidiary; • an acquisition by way of amalgamation of entity; and • an acquisition of business (assets and liabilities only).	Similar to IFRS.	All business combinations are acquisitions.

Subject	Indian GAAP	U.S. GAAP	IFRS
Purchase Method Values on Acquisition	– Under Indian GAAP, (a) on consolidation of an acquired entity held as a subsidiary, the acquired assets and liabilities are incorporated at their existing carrying amounts (after making adjustments to eliminate conflicting accounting policies); (b) for amalgamation accounted under the purchase method, the acquired assets and liabilities are incorporated at their existing carrying amounts (after making adjustments to eliminate conflicting accounting policies) or, alternatively, the consideration is allocated to individual identifiable assets and liabilities at their fair values. However a court order approving an amalgamation may provide different and/or additional accounting entries; and (c) on acquisition of a business, the acquired assets and liabilities are incorporated at their fair values or the value of assets surrendered. No separate restructuring provision is recognised on acquisition.	Similar to IFRS, except minority interest is stated at pre-acquisition carrying value of net assets, and contingent liabilities of the acquired entity are not recognised at the date of acquisition. Some restructuring liabilities relating solely to the acquired entity may be recognised if specific criteria about restructuring plans are met.	Assets, liabilities and contingent liabilities of acquired entity are at fair value. If control is obtained in a partial acquisition of a subsidiary, the full fair value of assets, liabilities and contingent liabilities, including portion attributable to the minority (non-controlling) interest, is recorded on consolidated balance sheet. Goodwill is recognised as the residual between the consideration paid and the percentage of the fair value of the business acquired. Liabilities for restructuring activities are recognised only when the acquired entity has an existing liability at acquisition date. Liabilities for future losses or other costs expected to be incurred as a result of the business combination cannot be recognised.
Purchase Method Minority Interests at Acquisition	– The minority interests are valued at their historical book value.	The minority interests are valued at their historical book value. Fair values are assigned only to the parent company’s share of the net assets acquired.	Where an investor acquires less than 100% of a subsidiary, the minority (non-controlling) interests are stated on the investor’s balance sheet at the minority’s proportion of the net fair value of acquired assets, liabilities and contingent liabilities assumed.

Subject	Indian GAAP	U.S. GAAP	IFRS
Purchase Method – Goodwill and Intangible Assets with Indefinite Useful Lives	Goodwill arising on amalgamation is amortised over its useful life not exceeding 5 years unless a longer period can be justified. No specific guidance exists for goodwill arising on consolidation or on business acquisitions (assets and liabilities only); practice varies with no amortisation versus amortisation over its useful life not exceeding 10 years. Goodwill is reviewed for impairment at the cash generating unit (“CGU”) level whenever there is a trigger or indication of impairment. Intangible assets are not classified into indefinite useful lives category. All intangible assets are amortised over a period not exceeding 10 years.	Capitalised but not amortised. Goodwill and indefinite-lived intangible assets are tested for impairment at least annually at either the CGU level or groups of CGUs, as applicable. The level of impairment testing and the impairment test itself are different.	Capitalised but not amortised. Goodwill and indefinite-lived intangible assets are tested for impairment atleast annually at either the CGU level or groups of CGUs, as applicable.
Purchase Method – Subsequent Adjustments to Fair Values	No change is permitted, except for certain deferred tax adjustments on carry forward losses or unabsorbed depreciation not recognised on amalgamation. It is permitted to be recognised if it becomes recognisable by the first annual balance sheet date subsequent to the amalgamation. All other subsequent adjustments are recorded in income statement.	Similar to IFRS. Once fair value allocation is finalised, no further changes are permitted, except for the resolution of known pre-acquisition contingencies. The adjustments made during the allocation period relating to data for which management was waiting to complete the allocation are recorded against goodwill.	Adjustment against goodwill to the provisional fair values recognized at acquisition are permitted provided those adjustments are made within 12 months of the acquisition date. Adjustments made after 12 months of the acquisition date are recognized in the income statement.
Employee Share Option Trust	Employee share option trusts are not consolidated.	Similar to IFRS, except where specific guidance applies for employee share ownership plans in SOP 93-6.	Consolidated, where substance of relationship indicates control ((SIC 12 model). Entity’s own shares held by an employee share option trust are accounted for as treasury shares.

Subject	Indian GAAP	U.S. GAAP	IFRS
Revenue recognition — General Criteria	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.	Revenue is generally realised or realisable and earned when all of the four following revenue recognition criteria are met: • persuasive evidence of an arrangement exists; • delivery has occurred or services have been rendered; • the seller's price to the buyer is fixed or determinable; and • collectibility is reasonably assured. U.S. GAAP generally requires title transfer prior to revenue recognition and provides extensive detailed guidance for specific transactions.	Based on several criteria, which require the recognition of revenue when risks and rewards have been transferred and the revenue can be measured reliably.

Subject	Indian GAAP	U.S. GAAP	IFRS
Real Estate Sales	The ICAI recently issued a guidance note on recognition of revenue for real estate developers. This guidance note recommends principles for recognition of revenue arising from real estate sales and provides guidance on the application of principles for revenue recognition as enumerated in Accounting Standard (“AS”) 9, i.e., transfer of significant risks and rewards of ownership, consideration is fixed or determinable and it is not unreasonable to expect ultimate collection. Under this note, once the seller has transferred all the significant risks and rewards of ownership to the buyer and the other conditions for recognition of revenue specified in AS 9 are satisfied, any further acts on the real estate performed by the seller are, in substance, performed on behalf of the buyer in the manner similar to a contractor. Accordingly, in such cases revenue is recognized recognised by applying the percentage of completion method in the manner explained in AS 7.	Governed by FAS 66 and interpreted by some rules of the Emerging Issues Task Force. FAS 66 applies to all sales of real estate, including real estate with property improvements or integral equipment (it does not apply to sale of only property improvements or integral equipment without a concurrent or contemplated sale of land). In case of sale of land, FAS 66 provides recognition principles based on full accrual method, percentage of completion method, instalment method, or deposit method based on fulfilment of certain criteria. In case of a retail estate sale is other than sale of land, profit shall be recognized in full (full accrual method) when real estate is sold, provided: (a) the profit is determinable, that is, the collectibility of the sale price is reasonably assured or the amount that will not be collectible can be estimated, and (b) the earnings process is virtually complete, that is, the seller is not obliged to perform significant activities after the sale to earn the profit, provided certain other criteria is satisfied. If any of the criteria is not satisfied, other methods such as the deposit method, instalment method or cost recovery method may be used. Discounting is not permitted.	Guided by recognition principles of IAS 18. Normally recognized when legal title passes to the buyer. However, if the equitable interest in a property vests in the buyer before legal title passes and therefore the risks and rewards of ownership have been transferred at that stage it may be appropriate to recognize revenue. However, if the seller is obliged to perform any significant acts after the transfer of the equitable and/or legal title, revenue is recognized as the acts are performed. An example is a building or other facility on which construction has not been completed. The nature and extent of the seller’s continuing involvement determines how the transaction is accounted for. It may be accounted for as a sale, or as a financing, leasing or some other profit sharing arrangement. If it is accounted for as a sale, the continuing involvement of the seller may delay the recognition of revenue. Revenue is the fair value of the consideration received or receivable. This may require estimating the present value of the sale consideration.

Subject	Indian GAAP	U.S. GAAP	IFRS
Construction contracts	Accounted for using the percentage of completion method. Completed contract method is prohibited.	The percentage of completion method is preferable; however, completed contract method is permitted in rare circumstances, when the extent of progress towards completion is not reasonably measurable.	Accounted for using the percentage of completion method. Completed contract method is prohibited.
Determination of Line Items under the Percentage of Completion Method	Similar to IFRS.	Two different approaches are allowed: - the revenue approach (similar to IFRS) multiplies the estimated percentage of completion by the estimated total revenue to determine earned revenues and multiplies the estimated percentage of completion by the estimated total contract cost to determine the cost of earned revenue; and - the gross profit approach (different from IFRS) multiplies the estimated percentage of completion by the estimated gross profit to determine the estimated gross profit earned to date. Losses are recognized when incurred or when the expected contract costs exceeds the expected contract revenue, regardless of which accounting method is used.	When the outcome of the contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as expenses immediately.

Subject		Indian GAAP	U.S. GAAP	IFRS
Foreign Transactions	Currency	Transaction in foreign currency are accounted for at the exchange rate on the transaction date. Foreign currency monetary items are restated at closing rate at the year-end, foreign currency non-monetary items which are carried at historical cost and foreign currency non-monetary items which are carried at fair value are stated using the exchange rate on the date of transaction and the exchange rate on the date on which such fair value is determined.	Similar to IFRS.	Transaction in Foreign currency are accounted for at the exchange rate prevailing on the transaction date. Foreign currency assets and liabilities are restated at the year-end exchange rate.
Financial Assets		Investments are classified as long term investments and current investments. Long term investments are carried at cost less impairment. The carrying amount for current investments is the lower of cost and fair value. Any reduction in carrying amount and any reversals are charged or credited to the income statement. Unrealised losses are charged to the income statement. Unrealised gains are not recorded except to restore previously recorded unrealized losses that may have reversed.	Investments in marketable equities and all debt securities are classified according to management's intent to hold into one of the following categories – held for trading, available for sale or held to maturity. Held for trading securities are marked to fair value with the resulting unrealized gain or loss recognized currently in the income statement. Held to maturity assets are measured at amortised cost.	Measurement of assets depends on classification of investment – if held to maturity or loans and receivables, they are carried at amortised cost; others (i.e., financial assets at fair value through profit or loss or held for trading or available for sale) at fair value. Unrealised gains or losses, i.e., changes in fair value of financial assets on fair value through profit or loss classification (including held for trading) is recognised in income statement. Unrealised gains and losses, i.e., changes in fair value on available for sale investments are recognised in equity.
Provisions		Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting is not permitted.	Similar to IFRS, with rules for specific situations such as environmental liabilities, and loss contingencies. Discounting required only when timing of cash flows is fixed.	Record the provisions relating to present obligations from past events if outflow of resources is probable and can be reliably estimated. Discounting required if effect is material

Subject	Indian GAAP	U.S. GAAP	IFRS
Deferred Income Taxes	Deferred tax assets and liabilities should be recognized for all timing differences subject to consideration of prudence in respect of deferred tax asset. Where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.	Deferred income tax assets and liabilities are determined using the balance sheet method. The net deferred tax assets or liability is based on temporary differences between the book and tax bases of assets and liabilities, and recognizes enacted changes in tax rates and laws. U.S. GAAP permits deferred tax assets to be recognized for any operating loss carry forwards to the extent that it is more likely that not that they will be realized. A valuation allowance should be recorded against deferred tax assets when it is determined that realization of the deferred tax assets is less than more likely than not.	Use full provision method (with certain exceptions), driven by balance sheet temporary differences. Recognized deferred tax assets if recovery is probable. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.
Fringe Benefit Tax	Fringe benefit tax should be disclosed as a separate item after determining profit before tax on the face of the profit and loss account for the period in which the related fringe benefits are recognized.	Similar to IFRS.	Fringe benefit tax is included as part of the related expense (fringe benefit) which gives rise to incurrence of the tax.
Employee Benefits — Defined Benefit Plans	With the adoption of AS 15 (revised), similar to IFRS, although several differences in detail. E.g., actuarial gains and losses are recognized upfront in the income statement. Prior to AS 15 (revised), no method is prescribed for actuarial valuation and limited guidance is available on other specific issues.	Similar to IFRS but with several areas of differences in the detailed application.	Projected unit credit method is used to determine benefit obligation and record plan assets at fair value. Actuarial gains and losses can be deferred.

Subject		Indian GAAP	U.S. GAAP	IFRS
Employee Benefits- Compensated Expenses		With the adoption of AS 15 (revised), it qualifies as short-term or other long-term employee benefits. The expected cost of accumulating short-term compensated absences is recognized on accrual basis. Liability for long – term compensated absences is measured using projected unit credit method.	No segregation is done between short-term and long-term employee benefits. The expected cost of all the accumulating compensated absences is recognized on an accrual basis. Discounting is permitted on rare circumstances.	It qualifies as short-term or other long-term employee benefits. The expected cost of accumulating short-term compensated absences is recognized on accrual basis. Liability for long –term compensated absences is measured using projected unit credit method.
Employee Compensation	Share	In absence of an accounting standard, SEBI provides certain basic guidelines for public listed companies. As per the SEBI guidelines, compensation expenses for stock options are recorded either based on intrinsic value or fair value using the option pricing model; whereas for the shares issued at discount at discount value. The ICAI has issued a guidance note which requires measurement of cost based on fair value where the guidance note is similar to IFRS; several areas of differences in detailed application. Alternatively, the guidance note allows use of the intrinsic value method.	Subsequent to the promulgation of FAS 123R, similar model to IFRS. Compensation expenses is generally recognized based on fair value of awards at grant date. Several areas of differences exist in application. Prior to the promulgation of FAS 123R, compensation expenses is measured based on either (a) the intrinsic value (market price at measurement date less any employee contribution or exercise price) or (b) fair value at issue using option pricing model.	Expenses for services purchased are recognized. Corresponding amount recorded either as a liability or an increase in equity, depending on whether transaction is determined to be cash or equity settled. Amount to be recorded is measurement at fair value of shares or share options granted.
Deferred Expenditure	Revenue	Under Indian GAAP, after the issuance of AS 26-Intangible Assets, no such deferred revenue expenses should be recognized. The balances for these items on the date of adoption of AS 26 should continue to be expensed over the number of years originally contemplated.	Charge off, unless deferment permitted by specific literature. For example, SOP 93-7 permits deferment of cost of direct response advertising.	Expensed under IAS 38. Even advertising costs need to be expensed as incurred even though the expenditure incurred may provide future economic benefits.

Subject	Indian GAAP	U.S. GAAP	IFRS
Capitalisation of Borrowing Costs	Required. AS 16 - Borrowing Costs defines the term 'qualifying asset' as "an asset that necessarily takes a substantial period of time to get ready for its intended use or sale". The following assets ordinarily take 12 months or more to get ready for intended use or sale unless the contrary can be proved by the enterprise: (i) assets that are constructed or otherwise produced for an enterprise's own use, e.g., assets constructed under major capital expansions; and (ii) assets intended for sale or lease that are constructed or otherwise produced as discrete projects (e.g., real estate developments).	Required. FAS 34 requires interest capitalisation only to the extent that it is an acquisition cost. Accordingly, real estate projects under development are qualifying assets; however, real estate held for future development or sale is not. FAS 34, par. 11 states that interest should be capitalised on land expenditures only when development activities are in progress. Assets qualifying for interest capitalisation include real estate developments intended for sale or lease that are constructed as discrete projects. Land that is not undergoing activities necessary to prepare it for its intended use does not qualify for capitalisation. When development activities are undertaken, however, expenditures to acquire land qualify for interest capitalization while the development activities are in process. If the resulting asset is a structure, the interest capitalised on land expenditures becomes part of the cost of the structure; if the resulting asset is developed land, the capitalized interest is part of the cost of the land. SFAS No. 34 provides guidance on determining the appropriate amount of interest to be capitalised.	Permitted for qualifying assets, but not required.
Capital Issue Expenses	May be set off against the securities premium account.	May be set off against the realised proceeds of share issue.	The transaction costs of an equity transaction should be accounted for as a deduction from equity, net of any related income tax benefit. The costs of a transaction which fails to be completed should be expensed.

Subject	Indian GAAP	U.S. GAAP	IFRS
Dividends	Dividends on ordinary equity shares are presented as a appropriation to the income statement. Dividends are accounted in the year to which they pertain.	Dividends on ordinary equity shares are presented as a deduction in the statement of changes in shareholders' equity in the period when authorised by shareholders. Dividends are accounted in the year when declared.	Dividends on ordinary equity shares are presented as a deduction in the statement of changes in shareholders' equity in the period when authorised by shareholders. Dividends are accounted in the year when declared.
Earnings Per Share ("EPS") –Diluted	Weighted average potential dilutive shares are used as denominator for diluted EPS. 'Treasury share' method is used for share options / warrants, except in certain circumstances advance share application money received is treated as dilutive potential equity shares.	Similar to IFRS.	Weighted average potential dilutive shares are used as denominator for diluted EPS. 'Treasury share' method is used for share options / warrants.

Subject		Indian GAAP	U.S. GAAP	IFRS
Related Transactions	Party	Related parties are determined by the level of direct or indirect control, joint control and significant influence of one party over another or common control by another entity; however the determination may be based on legal form rather than substance. Hence the scope of parties covered under the definition of related party could be less than under U.S. GAAP or IFRS. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intra-group transactions in consolidated accounts. However, certain explicit exemptions are available for disclosures. Exemption for certain SMEs having turnover or borrowings below certain threshold but there is no exemption for separate financial statements of subsidiaries.	Similar to IFRS. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intragroup transactions in consolidated accounts, however the exemptions are narrower than under IFRS.	Related parties are determined by the level of direct or indirect control, joint control and significant influence of one party over another or common control by another entity. Name of the parent entity is disclosed and, if different, the ultimate controlling party, regardless of whether transactions occur is disclosed. For related-party transactions, nature of relationship (seven categories), amount of transactions, outstanding balances, terms and types of transactions are disclosed. Exemption is given only to intra-group transactions in consolidated accounts.
	Segment Reporting	Report primary and secondary (business and geographic) segments based on risks and returns and internal reporting structure. Use group accounting policies or entity accounting policy.	Report based on operating segments and the way the chief operating decision-maker evaluates financial information for purposes of allocating resources and assessing performance. Use internal financial reporting policies (even if accounting policies differ from group accounting policy).	Similar to Indian GAAP.

FORWARD-LOOKING STATEMENTS

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

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

- Our business is dependant on the performance of and the conditions affecting, the real estate market in India;
- We face uncertainty of title to our lands;
- We have not made applications or received approvals for many of our Ongoing and Forthcoming Projects;
- Our inability to acquire ownership of or development rights over large contiguous parcels of land may affect our future development activities;
- Our business is subject to extensive government regulation with respect to land development, which may become more stringent in the future;
- The launch of new projects that prove to be unsuccessful could impact our growth plans and may adversely impact earnings;
- We have entered into various related party transactions;
- Our business is heavily dependent on the availability of real estate financing in India;
- The cyclical nature of the Indian real estate market could cause us to experience fluctuations in property values over time; and
- A slowdown in the economic growth in India could cause our business to suffer.

For further discussion of factors that could cause our actual results to differ, see the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xxvii, 63 and 249, respectively, of this Draft Red Herring Prospectus. Neither our Company nor any of the BRLMs nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying event, even if the underlying assumptions do not come to finalisation. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the commencement of listing and trading on the Stock Exchanges of the Equity Shares allotted pursuant to this Issue.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any one or some combination of the following risks were to materialise, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. The 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.

Risks in Relation to our Business and Internal Risks

1. *There are certain criminal proceedings pending against the Company and its Directors.*

There are certain criminal proceedings pending against the Company and its Directors brief details of which are provided below.

The Company:

- There is one criminal case pending against the Company where it has been alleged that the Company and its directors Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde, are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.
- There is one complaint against our Company and the Managing Director under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code alleging that the Company has been unable to provide the amenities as agreed upon.

Mr. Adi B. Godrej:

- There is one criminal case where it has been alleged that the Company and its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde, are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.
- There is one criminal complaint against Mr. Adi B. Godrej in his capacity as director of Godrej Consumer Products Limited under Section 482 of the Criminal Procedure Code for non payment of dues.

Mr. Nadir B. Godrej:

- A criminal complaint under Section 212 (9) of the Companies Act is pending against Mr Nadir B. Godrej filed by the Assistant RoC, Maharashtra for the alleged violation of Section 212 of Companies Act.

Mr. Milind S. Korde:

- There is one criminal case where it has been alleged that the Company and its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde, are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.

- There is one complaint against our Company and the Managing Director under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code alleging that the Company has been unable to provide the amenities as agreed upon.

Mr. Amit B. Choudhary:

- There is one criminal case where it has been alleged that the Company and its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde, are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.

Mr. Keki B. Dadiseth:

- There is one case filed against Mr. Keki B. Dadiseth by SEBI, in his capacity as director of Hindustan Lever Limited for contravention of SEBI (Prohibition of Insider Trading) Regulation, 1992.

Mrs. Lalita D. Gupte:

- Mr. Surendra Dutta has filed a criminal complaint (FIR I III dated April 9, 2001) against Mrs. Lalita D. Gupte and others, before Rajpura City Police Station, Chandigarh for alleged offence of car booking by forging his signature during 1995 by certain officers of erstwhile Anagram Finance Ltd (AFL). ICICI Bank (the Bank) has made submissions to DIG, Patiala that the directors of the Bank cannot be proceeded against for an alleged offence committed by AFL in 1995 as AFL was taken over by erstwhile ICICI Ltd in 1998. The DIG Patiala having been convinced has directed investigating officer of Rajpura Police Station not to proceed in the matter without explaining entire details to him. The matter is pending before the Investigating Officer for the purpose of investigation but is not being proceeded with as the files relating to the same are not traceable

For more details, see “Outstanding Litigation and Material Developments” on page 268 of this Draft Red Herring Prospectus.

Should any new developments arise, such as a change in Indian law or rulings against us by courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. Furthermore, if significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, it could have an adverse effect on our business and profitability.

2. We are dependent upon third party entities for the sourcing of land, market research and development and sale of our projects.

We enter into agreements with third party entities to source land, provide market research, and to design, construct and sell our projects in accordance with our specifications and quality standards and under the time frames provided by us. We require the services of other third parties, including architects, engineers, and other suppliers of labour and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of these third 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 dependant on the services of such third parties. We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services. Any consequent delay in project execution could adversely affect our profitability and reputation.

If such contractors are unable to perform their contracts, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, our business,

reputation and results of operations could be adversely affected. For example, in certain of our developments, we commit to complete the developments within specified time frames, failing which, we are required to compensate our customers at specified rates for the delay. In addition, we generally provide warranties for a period of up to three years for construction defects and may be held liable for such defects. Even though our contractors provide us with back-to-back warranties, such warranties may not be sufficient to cover our losses, or our contractors could claim defences not available to us against our customers, which could adversely affect our financial condition and results of operations. Further, we cannot assure you that the services rendered by any of our independent construction contractors will always be satisfactory or match our requirements for quality.

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

3. We face uncertainty of title to our lands.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented, and land may have multiple owners. Certain lands may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances and litigation of which we may not be aware. Additionally, some of our projects are being executed through development agreements in collaboration with third parties. In some of these projects, the title to the land may be owned by one or more of such third parties, and as such we cannot assure you that the persons with whom we enter into development agreements have clear title to such lands.

While we conduct due diligence and assessment exercises prior to acquiring land or entering into development agreements with land owners and undertaking a project, we may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, ownership claims of family members of prior owners, or other defects that we may not be aware of. This is because of the various practical difficulties in verifying the title of a prospective seller or lessor of property, or a development partner. As a result, some of our Land Reserves and future land may not have marketable title which has been independently verified. This is, in part, because of the method of documentation and updating of the land records and the method in which related documents are generally maintained and updates are carried out manually. The process of updating land records may be time consuming and may result in errors and inaccuracy. Further, multiple property registries exist in India, which makes verification of title difficult. Indian law recognises the ability of persons to effectuate a valid mortgage on an unregistered basis by the physical delivery of original title documents to a lender. Adverse possession under Indian law also arises upon 12 years of occupation to valid ownership rights as against all parties, including government entities that are landowners, without the requirement of registration of ownership rights by the adverse possessor. In addition, Indian law recognises the concept of a Hindu undivided family, whereby all family members jointly own land and must consent to its transfer, including minor children, without whose consent a land transfer may be challenged by such non-consenting family member. Our title to land may be defective as a result of a failure on our part, or on the part of a prior transferee, to obtain the consent of all such persons. As each transfer in a chain of title may be subject to these and other various defects, our title and development rights over land may be subject to various defects of which we are not aware.

As a result, any acquisition or development decision made by us in reliance on our assessment of such information, or the assessment of such information by a third party, is subject to risks and potential liabilities arising from the inaccuracy of such information. If such information later proves to be inaccurate, any defects or irregularities of title may result in the loss of title or development rights over land, and the cancellation of our development plans in respect of such land. The uncertainty of title to land makes the acquisition and

development process more complicated, may impede the transfer of title, expose us to legal disputes and adversely affect our land valuations.

Additionally, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance in India means that title records provide only for presumptive rather than guaranteed title, and we face a risk of loss of lands we believe we own or have development rights over, which would have an adverse effect on our business, financial condition and results of operations.

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. Under Indian law, a title document is generally not effective, nor may be admitted as evidence in court, unless it has been registered with the applicable land registry and applicable stamp duty has been paid in respect of such title document. The failure of prior landowners to comply with such requirements may result in our failing to have acquired valid title or development rights with respect to that land. If we or the owners of the land which is the subject of our development agreements are unable to resolve such disputes with these claimants, we may lose our interest in the land, being our right to own or develop the land, and we may have to make payments to these claimants as compensation. The failure to obtain good title to a particular plot of land and the abandoning of the property as a result may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, land for which we, or entities which have granted us development rights, have entered into agreements to acquire but have not yet acquired, form a significant part of our growth strategy and the failure to obtain good title to this land could adversely impact our property valuations and prospects.

4. Increase in prices of, shortages of, or delays or disruptions in the supply of building materials could harm our results of operations and financial condition.

We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, and import duties. Our ability to develop and construct projects, profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated property development cost, or at all, which could harm our results of operations and financial condition. 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 could reduce or eliminate the profits we intend to attain with regard to our projects. Prices of certain building materials, such as cement and steel, in particular are susceptible to rapid increases.

Additionally, our supply chain for these building supplies may be periodically interrupted by circumstances beyond our control, including work stoppages and labor disputes affecting our suppliers, their distributors, or the transporters of our supplies, including poor quality roads and other transportation related infrastructure problems, inclement weather, and road accidents.

5. We may not be able to add to or replenish our Land Reserves by acquiring suitable sites at reasonable cost which may adversely affect our business and prospects.

In order to maintain and grow our business, we will be required to continuously increase our Land Reserves with new sites for development. Our ability to identify and acquire suitable sites is dependent on a number of factors that are beyond our control. These factors include the availability of suitable land, the willingness of landowners to sell land and/or assign development rights on terms attractive to us, the ability to obtain an agreement to sell from all the owners where land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and the obtaining of permits and approvals for land acquisition and development. The failure to acquire land or obtain development rights over targeted land may cause us to modify, delay or abandon entire projects, which in turn could cause our business to be

adversely affected. Further information on our Land Reserves is contained in “Our Business – Description of our Business – Land Reserves” beginning on page 67 of this Draft Red Herring Prospectus.

In addition, land acquisition in India has historically been subject to regulatory restrictions on foreign investment. These restrictions are gradually being relaxed and, combined with the aggressive growth strategies and financing plans of real estate development companies as well as real estate investment funds in the country, this is in some cases making suitable land increasingly expensive. If we are unable to compete effectively in the acquisition of suitable land, our business and prospects will be adversely affected.

6. *Our inability to identify and acquire land or development rights in locations with growth potential affects our business.*

Our ability to identify suitable parcels of land for development and subsequent sale forms an integral part of our business. Our strategy includes acquiring land and/or land development rights through development agreements, and therefore our ability to identify land in the right location is critical for a project. Our decision to acquire land or development rights over appropriate land involves taking into account the size and location of the land, tastes of potential residential customers, requirements of potential commercial clients, economic potential of the region, the proximity of the land to civic amenities and urban infrastructure, the availability and competence of third parties such as architects, surveyors, engineers and contractors, the willingness of landowners to sell the land to us or enter into development agreements with us on terms which are favourable to us, the ability to enter into an agreement to buy land from multiple owners, the availability and cost of financing such acquisitions, encumbrances on targeted land, government directives on land use and obtaining permits and approvals for land acquisition and development. While we have successfully identified suitable projects in the past, we may not be as successful in identifying suitable projects that meet market demand in the future. Any failure to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of development projects that can be undertaken by us and thereby affect our business prospects, financial condition and results of operations.

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

7. *Our business is dependent on the performance of, and the conditions affecting, the real estate market in India.*

Our business is heavily dependent on the performance of the real estate market in India, particularly in the regions in which we operate, and could be adversely affected if market conditions deteriorate. Further, the real estate market, both for land and developed properties, is relatively illiquid, which may limit our ability to respond promptly to market events. The real estate market may, in the locations in which we operate, perform differently from, and be subject to market and regulatory developments different from, real estate markets in other parts of India. We cannot assure you that the demand for our projects will grow, or will not decrease, in the future. Real estate projects take a substantial amount of time to develop and we could incur losses if we purchase land during periods when land prices are high, and we have to sell or lease our developed projects when land prices are relatively lower. The real estate market may be affected by various factors beyond our control, including prevailing economic conditions, changes in supply and demand for projects comparable to those we develop, and changes in applicable governmental schemes. These and other factors may negatively contribute to changes in real estate prices or the demand for and valuation of our Ongoing Projects and Forthcoming Projects, may restrict the availability of land, and may adversely affect our business, financial condition and results of operations.

8. *Our business is heavily dependent on the availability of real estate financing in India.*

The real estate market is significantly affected by changes in economic conditions, government policies, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for and valuation of our Ongoing Projects and Forthcoming Projects. For example, lower interest rates may assist us in procuring borrowings at attractive terms for the purchase of land or development of our projects. Rising interest rates could discourage our customers from borrowing to finance real estate purchases as well as companies, such as us, from incurring indebtedness to purchase or develop land. As such, our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to be adversely affected.

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

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

9. *Our inability to acquire ownership of or development rights over large contiguous parcels of land may affect our future development activities.*

Certain of our projects are being built on large contiguous parcels of land. For example, our Godrej Genesis project in Hyderabad has an estimated Saleable Area of approximately 9.60 million sq. ft. Although in the past we have not experienced difficulties in acquiring ownership of or development rights over large contiguous parcels of land, we cannot assure you that we will be able to continue to acquire ownership of or development rights over large contiguous parcels of land on terms that are acceptable to us or at all. This may prohibit us from developing additional large projects or may cause delays or force us to modify the development of the land at a particular location, which in turn may result in failure to maximise our return from such parcels of land. Accordingly, our inability to acquire ownership of or development rights over contiguous parcels of land may adversely affect our business prospects, financial condition and results of operations.

We may also be forced to pay premium amounts for acquiring ownership of or development rights over certain large parcels of land. Paying premium amounts for land may limit our ability to fund other projects and may adversely affect our business, financial condition and results of operations.

10. *We have entered into certain shareholders agreements with HDFC Venture Trustee Company Limited, which set forth certain conditions which may adversely affect our business operations.*

We have entered into two shareholders' agreements with HDFC Venture Trustee Company Limited ("Investor"), which currently holds a 49% of the equity interest in each of Godrej Realty Private Limited and Godrej Waterside Properties Private Limited. Certain business decisions and some of the operations of these subsidiaries will require the prior consent of the Investor. There is no assurance that the Investor or its board nominees in the two subsidiaries will vote in favour of our interests and the subsidiaries may be prevented from implementing decisions which could be beneficial to our business and financial conditions. In addition, there could be delays in making such business decisions which could adversely affect our business operations. Further, if the Investor commits any default or any event of default occurs in relation to the Investor, our Company shall have the right to acquire from the Investor (and on exercise of such right, the Investor shall have the obligation to sell) all of the Investor's shares. The occurrence of such an event may have an adverse effect on our business prospects, financial condition or results of operations.

11. *We enter into agreements with various third parties to acquire land or development rights which may entail certain risks.*

As part of our land acquisition process, either for ownership rights or for development rights, we enter into MoUs or development agreements with third parties including power of attorney holders prior to the development of the particular parcel of land. Power of attorney holders are persons who are authorised to transfer lands on behalf of the owners of the land. There can be no assurance that the power of attorney that has been granted is valid or entitles such power of attorney holder to exercise the right to transfer such land. Certain parties granting us development rights may not have acquired ownership rights or clear title in respect of land that we have categorised as part of our Land Reserves. Parties granting us development rights may also have litigation, bankruptcy or such other proceedings pending with respect to such lands. Similarly, we cannot assure you that the third parties with whom we have entered into such agreements will be successful in acquiring ownership rights or clear title to such land. Since we do not acquire ownership or land development rights with respect to such land upon the execution of such MoUs, formal transfer of title or land development rights with respect to such land is completed after we have conducted satisfactory due diligence and/or requisite governmental consents and approvals have been obtained and/or we have paid all of the consideration for such land. As a result, we are subject to the risk that pending such consents and approvals, payment of considerations or our due diligence, sellers may transfer the land to other purchasers or that we may never acquire formal title or land development rights with respect to such land, which could have an adverse impact on our business. Further, though the portion of revenues, profits or Developable Area generated from the projects are pre-determined, such arrangements may be grounds for dispute in the event of any disagreements between the parties in the future. There can be no guarantee that we would be able to resolve our conflicts in reasonable time on terms favorable to us or at all.

As of May 15, 2008, we have entered into MoUs with third parties to acquire land or land development rights with respect to approximately 14% of our total Land Reserves. For further details in relation to our Land Reserves, see the section “Business – Land Reserves” beginning on page 67 of this Draft Red Herring Prospectus. We enter into these agreements after making certain advance payments to ensure that the sellers of the land satisfy certain conditions within the time frames stipulated under these agreements. There can be no assurance that these sellers will be able to satisfy their conditions within the time frames stipulated, at the intended cost or at all. Further, certain third parties with whom we have entered into MoUs may not have ownership rights or clear title over such land, may have created encumbrances over such land or have litigation pending with respect to such land, or may have to comply with certain conditions. For example, the joint development agreement we have entered into with respect to our Forthcoming Project, Godrej Kochi – I, Kochi, provides that such agreement is subject to the Board for Industrial and Financial Reconstruction (“BIFR”) granting us permission for developing the land for the project, and the satisfaction of all claims of our joint development partner’s lenders over such land. We cannot assure you that the BIFR will grant us permission to develop the land or that all the claims of our joint development partner’s lenders will be adequately satisfied. Until ownership rights or clear title has been obtained, litigation is settled, such conditions have been complied with or a judgment has been obtained by a court of competent jurisdiction, we may be unable to utilise such land according to the terms of such agreements, which could adversely affect our business, financial conditional and results of operations.

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

In addition, we have entered into memoranda of understanding with certain members of the Godrej group of companies for developing land owned by them in various regions across the country. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. There can be no assurance that we will be able to enter into definitive agreements

with any of these companies on terms acceptable to us, or at all. For further details of the memoranda of understanding, please refer to the section titled “History and Corporate Structure” and “ Our Business – Memoranda of Understanding with the Godrej Group Companies”, beginning on pages 93 and 81, respectively, of this Draft Red Herring Prospectus.

12. *We may undertake projects jointly with third parties, which entails certain risks.*

Certain of our projects consist of development arrangements or may be undertaken in collaboration with third parties. In these projects, the title to the land may be owned by one or more of these third parties and we, by virtue of the development agreements, acquire development rights to the land. Most of these development agreements confer rights on us to construct, develop, market and eventually sell the Developable Area to third party buyers. Such agreements do not convey any interest in the immovable property to us and only the development right is transferred to us.

Investments through development agreements also involve risks, including the possibility that our development partners may fail to meet their obligations under the development agreement, causing the whole project to suffer. We cannot assure you that projects that involve collaboration with third parties will be completed as scheduled, or at all, or that our ventures with these parties will be successful. Our development agreements may permit us only partial control over the operations of the development under certain circumstances. Where we do not hold the entire interest in a development, it may be necessary for us to obtain consent from a development partner before we can cause the development partner to make or implement a particular business development decision or to distribute profits to us. These and other factors may cause our development partners to act in a way that is contrary to our interests, or otherwise be unwilling to fulfil their obligations under our development arrangements. Disputes that may arise between us and our development partners may cause delay in completion, suspension or complete abandonment of that project. This may adversely affect our business prospects, financial condition or results of operations.

13. *Our revenues and profits will be difficult to predict and can vary significantly across periods, which could cause the price of our Equity Shares to fluctuate.*

Under our current business model, revenues and profits are expected to be derived primarily from the development and sale of residential and commercial projects. Revenues from sales are dependent on various factors such as the size of our developments, the extent to which they qualify for percentage of completion treatment (see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 249 of this Draft Red Herring Prospectus) under our revenue recognition policies, the rights of lessors or third parties that could impair our ability to sell projects and general market conditions. In addition, the anticipated completion dates for our projects, including those set forth in this Draft Red Herring Prospectus, are estimates based on current management expectations and could change significantly, thereby affecting the timing of our sales commencement dates. The combination of any of these factors may result in significant variations in our revenues and profits across periods. Therefore, we believe that period-to-period comparisons of our results of operations will not necessarily be meaningful and should not be relied upon as indicative of our performance. If in the future, our results of operations are below market expectations, the price of our Equity Shares could decline.

14. *There could be unscheduled delays and cost overruns in relation to our Forthcoming Projects and Ongoing Projects.*

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

15. *We are subject to a penalty clause under our sale agreements entered into with our customers for any delay in the completion and hand over of the units that are a part of our projects.*

The sale agreements into which we enter with our residential and commercial customers contain penalty clauses wherein we are liable to pay a penalty for any delay in the completion and hand over of the units to the customers. In terms of the residential sale agreement, the penalty payable by us varies between 9% to 18% per annum. Accordingly, in large residential projects, the aggregate of all penalties in the event of delays may adversely impact the overall profitability of the project and therefore adversely affect our results of operations.

16. *We are required to make certain payments when we enter into development agreements which may not be recoverable.*

We enter into development agreements with various third parties in relation to some of our projects. Under these agreements, we are required to provide the owners of the land with a deposit which is expected to be refunded upon the completion of the project or credited against payments made to the owners of land. Under these development agreements, in the event of any delay in the completion of the development within the time frame specified, we are required to indemnify the other parties to the development agreements and pay certain penalties or liquidated damages that are capped as specified in these agreements. If we are required to pay penalties or liquidated damages pursuant to such agreements, and we decline to do so, we may not be able to recover the deposits made by us to the owners of the land. In addition, if for any reason, the development agreement is terminated or the development is delayed or cancelled, we may not be able to recover such deposits. This could have an adverse effect on our business prospects, financial condition or results of operations.

17. *We intend to develop or participate in the development of SEZs, which involve various risks.*

As part of our property development business, we intend to develop SEZs. Our success in the development of SEZs depends on, among other things, our ability to obtain approvals and attract manufacturing, industrial or IT units that conduct business within SEZs as well as on the continued availability of fiscal incentives under the SEZ regime and appropriate financing options for SEZ units. We do not have any experience in developing SEZs. We cannot assure you that we will be able to get the approval for Godrej Genesis, Hyderabad or other manufacturing, industrial or IT SEZs in the future. Also, the possibility of withdrawal of the applicable benefits and concessions in the future may have an adverse effect on the attractiveness of SEZs for the manufacturing, industrial or service units, which creates a risk for our current and planned investment in SEZ developments.

The SEZ Act has been recently enacted and the central government and several state governments have extended fiscal and other incentives to SEZ developers and customers located within SEZs. The SEZ policy framework is evolving and there could be changes in the SEZ regulations, including changes in norms for land acquisitions and associated compensation mechanisms, land use and development. Additionally, the selection procedure for the grant of SEZ status is open to challenge. There is discontent among local groups in certain areas regarding the compulsory acquisition of land and compensation to be paid to displaced farmers. This may have an adverse effect on SEZs such as cancellation of governmental approvals. Further, public interest litigation has been initiated in the Supreme Court of India against the SEZ regulations. Changes and/or uncertainties in the central government or state government policies or regulatory frameworks may slow down and adversely affect the demand for SEZs and thereby adversely affecting our SEZ development plans and projects.

In addition, due to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs. Many approvals have been granted in and around Hyderabad, Chennai, Pune, Bangalore and National Capital Region. This is likely to result in increased competition in SEZ property development. We may also face competition from SEZs being developed in neighbouring areas as well as from our potential customers who may set up their own SEZs. This increased competition could adversely affect our growth plans based on future SEZ property developments.

18. *The success of our business is dependent on our ability to anticipate and respond to consumer requirements, both in terms of the type and location of our projects.*

The growing disposable income of India's middle and upper income classes, together with changes in lifestyles, has resulted in a substantial change in the nature of these consumers' demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. Our focus on the development of high quality luxury and comfort residential accommodation requires us to satisfy these demanding consumer expectations. The range of amenities now demanded by consumers include those that have historically been uncommon in India's residential real estate market such as 24-hour electricity, gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts, squash courts and golf courses. As a result, our ability to anticipate and understand the demands of the prospective customers is critical to the success of our real estate development business. If we fail to anticipate and respond to consumer requirements, we could lose current or potential clients to competitors, which in turn could adversely affect our business and prospects.

The growth of the Indian economy has also led to changes in the way businesses operate in India resulting in a substantial change in the nature of these consumers' demands. The growth and success of our commercial business depends on the provision of high quality office space to attract and retain clients who are willing and able to pay rent or purchase price at suitable levels, and on our ability to anticipate the future needs and expansion plans of these clients. Therefore our ability to anticipate and understand the demands of the prospective customers is critical to the success of our property development business.

We believe that one of our key strengths is our ability to acquire land in new areas and the ability to develop projects in these areas in anticipation of consumer demand and deliver residential projects at very competitive margins. We may face the risk that our competitors may be better known in the markets that are new to us and gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

19. *We compete in our business with a number of real estate developers.*

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

Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our business plan is to expand across India, however, our operations have historically focused in Mumbai. As we seek to diversify our regional focus, we face the risk that some of our competitors, who are also engaged in real estate development, may be better known in other markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

Some of our competitors are larger than us and have greater land reserves or financial resources or a more experienced management team. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, causing us to win fewer tenders. There can be no assurance that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Also, in the areas of business where we are a new entrant to the market, such as hotels, resorts and SEZs, we may not be able to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications.

20. *If we are not able to implement our growth strategies or manage our growth, our business and financial results could be adversely affected.*

We are embarking on a growth strategy which involves a substantial expansion of our current business. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers.

Further, as we expand our operations, we may be unable to manage our business efficiently, which could result in delays, increased costs and affect the quality of our projects, and may adversely affect our reputation. Such expansion also increases the challenges involved in preserving a uniform culture, set of values and work environment across our business operations, developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems, recruiting, training and retaining management, technical and marketing personnel, maintaining high levels of client satisfaction, and adhering to health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business, financial condition and results of operations.

21. *We may experience difficulties expanding our business into new geographic areas.*

As a part of our strategy we intend to expand our geographic reach to other locations in India. We initially concentrated our real estate business in the Mumbai Metropolitan region and later expanded our operations to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi and Greater Noida. The level of competition, regulatory practices, business practices and customs, customer tastes, behavior and preferences in cities where we plan to expand our operations may differ from those in the Mumbai Metropolitan region, Pune, Bangalore, Kolkata and Hyderabad and our experience in such cities may not be applicable to new cities. In addition, as we enter new markets, we are likely to compete with local developers who have an established local presence, are more familiar with local regulations, business practices and customs, and have stronger relationships with local contractors and relevant government authorities, all of which may collectively or individually give them a competitive advantage over us.

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

We can provide no assurance that we will be successful in expanding our business to include other markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have a material adverse effect on our revenues, earnings and financial condition and could constrain our long term growth and prospects.

22. *The statements contained in this Draft Red Herring Prospectus with regard to Ongoing Projects and Forthcoming Projects, the area and make-up of our Land Reserves, Developable Area and Saleable Area are based on management estimates, current development plans and existing real estate regulations.*

The square footage data presented in this Draft Red Herring Prospectus with regard to Ongoing Projects and Forthcoming Projects and the area and make-up of our Land Reserves, Developable Area and Saleable Area are based on management estimates, current development plans and real estate regulations. The square footage that we may in the future develop with regard to a particular project may differ from the figures presented in this Draft Red Herring Prospectus based on various factors such as market conditions, title defects, any inability to obtain required regulatory approvals and any change in Government policies. Moreover, title defects may prevent us from having valid rights enforceable against all third parties to lands over which we believe we hold

interests or development rights, rendering our management's estimates of the area and make-up of our Land Reserves and developable land incorrect and subject to uncertainty. Additionally, any change in existing real estate regulations or plans may lead to changes in the estimated Developable Area and Saleable Area, including a reduction in such area, which could adversely affect our business and results of operations. Our estimates with respect to such area necessarily contain assumptions that may not prove to be correct.

We have also not independently verified data from government and industry publications and other sources contained in this Draft Red Herring Prospectus and therefore cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or our industry are subject to the statistical and other data upon which such discussions are based not being verified by us and may be incomplete or unreliable.

23. We depend on our senior management, directors and key personnel and our ability to retain them and attract new key personnel when necessary is an important part of our success.

Our Directors and our key management personnel collectively have many years of experience in managing our business and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. We cannot assure you that we will continue to retain any or all of the key members of our management. The loss of the services of any such key members of our management team could have an adverse effect on our business and the results of our operations.

We do not have employment contracts or non-compete agreements with our Directors and our key management personnel, nor do we maintain “key man” insurance for any of our senior or other key management personnel. Any loss of our senior managers or other key personnel or the inability to recruit further senior managers or other key personnel or our ability to manage attrition levels could impair our future by impairing our day-to-day operations, hindering our development of new projects and harming our ability to maintain or expand our operations.

24. Our business is subject to extensive government regulation with respect to land development, which may become more stringent in the future.

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers must comply with a number of requirements mandated by Indian laws and regulations, including policies and procedures established and implemented by local authorities. For example, we are subject to various land ceiling regulations, which regulate the area of land that can be held under single ownership.

Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licences from the relevant administrative authorities at various stages of project development, and developments may have to qualify for inclusion in local “master plans”. We may encounter major problems in obtaining the requisite approvals or licences, may experience delays in fulfilling the conditions precedent to any required approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. If we experience material problems in obtaining or fail to obtain the requisite governmental approvals, the schedule of development and sale or letting of our projects could be substantially disrupted.

The procedure for obtaining a certificate for change of land use varies from state to state. However, the procedure typically followed includes the filing of an application (along with the requisite documents) in a prescribed format with the relevant authority for obtaining a change of land use permission/certificate. Such application is considered by the relevant authority on the basis of criteria established in the relevant zoning regulations for the development of such land. A decision is communicated by the relevant authority within a prescribed period from the date of submission of the application. The applicant is also required to pay fees for a certificate of change of land use, which may vary from state to state. While we believe we will obtain approvals as may be required, there cannot be any assurance that the relevant authorities will issue any such approvals in the anticipated time frames or at all. Any delay or failure to obtain the required approvals in accordance with

our project plans may adversely affect our ability to implement our projects and adversely affect our business and prospects.

Although we believe that our projects materially comply with applicable laws and regulations, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. For more information, see the sections “Regulations and Policies” and “Government and Other Approvals” beginning on pages 85 and 290, respectively, of this Draft Red Herring Prospectus.

25. Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and as such adversely affect our results of operations and our financial condition.

Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations may increase our compliance costs and as such adversely affect our results of operations and financial condition. We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. In addition, we are required to conduct an environmental assessment of our projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. If environmental problems are discovered during or after the development of a property, we may incur substantial liabilities relating to clean up and other remedial measures and the value of the relevant projects could be adversely affected. Moreover, if hazardous substances are found in a property, our ability to sell such property could be adversely affected.

While we believe we are in compliance in all material respects with all applicable safety, health and environmental laws and regulations, the discharge of raw materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the GoI or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance.

26. We have not made applications or received approvals for many of our Ongoing Projects and Forthcoming Projects.

Certain of our Ongoing Projects and Forthcoming Projects are in initial stages of development. We are in the process of making or renewing the applications to regulatory authorities in connection with the development of these projects. As some of these property developments are still in initial stages of development, the proposed use and development plans for these projects may be subject to further changes, as may be decided by us keeping in mind various factors including the economic conditions, the prevailing preferences of the consumers and regulations applicable to us. We cannot assure you that we shall receive any of the underlying approvals in a timely manner or at all. In the event that we do not receive these approvals, our business, prospects, financial condition and results of operations could be adversely affected. For further details, see “Government Approvals” beginning on page 290 of this Draft Red Herring Prospectus.

27. Our business and our growth prospects require us to invest additional capital, which may not be available on terms acceptable to us or at all.

Our business is capital intensive and requires significant expenditure for land acquisition and development. In the fiscal year ended March 31, 2008, we incurred net interest and finance charges of Rs. 38.16 million. As of March 31, 2008, we had outstanding borrowings (including secured and unsecured) of Rs. 2,731.20 million.

As we intend to pursue a strategy of continued investment in our property development activities, we may incur significant additional expenditure in the current and future fiscal years. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our

borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. Fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness may be at variable interest rates. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms, or at all.

Moreover, certain of our loan documents contain provisions that may limit our ability to incur future debt. If we do not have access to additional capital, we may be required to delay, postpone or abandon some or all of our development projects or reduce capital expenditures and the size of our operations, any of which could adversely affect our results of operations.

28. The launch of new projects that prove to be unsuccessful could impact our growth plans and may adversely impact earnings.

As part of our strategy, we introduce new project developments in the Indian market. Each of the elements of new project initiatives carries significant risks, as well as the possibility of unexpected consequences, including (1) acceptance by and sales of the new project initiatives to our customers may not be as high as we anticipate (2) 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 consumption; (3) we may incur costs exceeding our expectations as a result of the continued development and launch of the new projects; (4) we may experience a decrease in sales of certain of our existing projects as a result of the introduction of nearby new projects; and (5) any delays or other difficulties impacting our ability, or the ability of our third party contractors and developers, to develop and construct projects in a timely manner in connection with launching the new project initiatives.

Each of the risks referred to above could 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 could have an adverse effect on our business, results of operations and financial condition.

29. The government may exercise rights of compulsory purchase or eminent domain over our or our development partners' lands.

The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase which, if used in respect of our land or our development partners' land, could require us or our development partners to mandatorily relinquish land without judicial recourse and with minimal compensation. The likelihood of such actions may increase as the central and state governments seek to acquire land for the development of infrastructure projects such as roads, airports and railways. Any such action in respect of one or more of our current or proposed developments could adversely affect our business.

30. Our business and growth plan could be adversely affected by the incidence and rate of taxes and stamp duties.

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

Also, the taxation system within India still remains complex. Each state in India has different local taxes and levies including sales tax / value added tax and octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions. For details, please see "Statement of Tax Benefits" beginning on page 41 of this Draft Red Herring Prospectus.

31. *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. While we deploy “Concerto”, a fully integrated management tool system across our projects, any failure in our information technology systems could result in business interruption, adversely affecting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition and results of operations. Also, the Company is in the process of implementing SAP®, an enterprise resource planning software. Any failure in its successful implementation may have an adverse effect on our business, financial condition and results of operations.

32. *Our brand “Godrej” is owned by Godrej & Boyce Manufacturing Company Limited and assigned to Godrej Industries Limited, and we have not obtained registration of our trademark, which may affect our business operations.*

The brand and trademark “Godrej” and the associated logo is assigned by Godrej & Boyce Manufacturing Company Limited to Godrej Industries Limited. By an agreement dated May 27, 2008, Godrej Industries Limited has granted our Company the non-exclusive right to use the trademark and logo in our ordinary course of business upon a payment of royalty of 0.5% of the gross turnover of our Company per annum. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark or logo in the event that we are unable to renew the license agreement. In addition, we have not obtained registration of our trademark. We may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection. Additionally, we may be required to litigate to protect our brands, which may adversely affect our business operations. Loss of the rights to use the trademark and the logo may affect our reputation, goodwill, business and our results of operations.

33. *Our registered office is on premises that have been taken on leave and license basis. Our inability to seek renewal or extension of such license may disrupt our operations.*

Our registered office is on premises we have licensed from Godrej & Boyce Manufacturing Company Limited. Any adverse title, ownership rights, development rights of our landlord or any breach of the contractual terms of the leave and licence agreement we have entered into, or any inability to renew this leave and license agreement on terms acceptable to us, or at all may cause an adverse effect on our business operations. For further details, see “Our Business – Properties” beginning on page 84 of this Draft Red Herring Prospectus.

34. *We may be subject to losses that might not be covered in whole or in part by existing insurance coverage. These uninsured losses could result in substantial liabilities to us that could negatively affect our financial condition.*

Although, we maintain insurance for a variety of risks, including, among others, for risks relating to fire, burglary and certain other losses and damages and employee related risks, not all such risks maybe insured or may be possible to insure at commercially acceptable terms. While we believe that the insurance coverage which we maintain directly or through our contractors for our business would be reasonably adequate to cover the normal risks associated with the operation of such business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses as policies contain certain exclusions and limitations of coverage. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities or losses or lose capital invested in that property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in substantial liabilities to us or adversely affect our ability to replace property that is destroyed or damaged, and our productive capacity may diminish.

35. *We have entered into various related party transactions.*

We have entered into various transactions with related parties, including the Promoters and Promoter Group entities. These related party transactions include entering into development and other agreements, payment and

receipt of advances for purchase of land, payment of managerial remuneration, reimbursement of costs and expenses, including civil and infrastructure costs, grant and repayment of loans and grant of corporate guarantees and reimbursement of bank guarantee charges. Such transactions are made on an arm's length basis on no less favourable terms than if such transactions were carried out with unaffiliated third parties. These transactions in the present and future may potentially involve a conflict of interest which may adversely affect our business or harm our reputation. For details of related party transactions, please see "Related Party Transactions" beginning on page 160 of this Draft Red Herring Prospectus.

36. *There are outstanding litigations against us, our Directors, our Promoter and the Promoter Group Companies.*

There are certain proceedings, including criminal proceedings, pending in various courts and authorities at different levels of adjudication against us, our Directors, our Promoters and our Promoter Group Companies:

Our Company

There are two criminal cases pending against the Company. For details of the criminal cases, please see "Risk Factor 1" above.

Nature and Number of case	Amount Involved
10 land/development related cases including three consumer cases	Rs. 4.64 million
Four motor accident cases	Rs. 4.19 million
Two land related cases in which the Company is an interested party	Rs. 33.38 million
Two income tax proceedings	Rs. 79.6 million
Nine notices received by the Company	Rs. 1.07 million

Our Directors

Mr. Adi B. Godrej:

There is one criminal case filed against the Company in which Mr. Godrej has been made a party as director of the Company. Additionally, there is one criminal case pending against Mr. Godrej as director of Godrej Consumer Products Limited, our Promoter Group.

Nature and Number of case	Amount Involved
One proceeding under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheque	Rs. 0.97 million
One consumer complaint	Rs. 0.06 million
One Foreign Exchange Regulation Act, 1973 violation (Criminal Complaint)	No monetary claim

Mr. Jamshyd N. Godrej:

There are two special leave petitions pending against Mr. Jamshyd N. Godrej in his capacity as director of Haldia Petrochemicals Limited. No monetary claim is involved.

Mr. Nadir B. Godrej:

A criminal complaint under Section 212 (9) of the Companies Act is pending against Mr Nadir B. Godrej filed by the Assistant RoC, Maharashtra for the alleged violation of Section 212 of Companies Act.

Nature and Number of case	Amount Involved
One consumer complaint	Rs. 0.06 million

One Foreign Exchange Regulation Act, 1973 No monetary claim
violation (Criminal Complaint)

Mr. Milind S. Korde:

There is one criminal case where it has been alleged that the Company and its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.

There is one complaint against our Company and the Managing Director under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code alleging that the Company has been unable to provide the amenities as agreed upon.

Mr. Amit B. Choudhury:

There is one criminal case where it has been alleged that the Company and its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde are responsible for misappropriation of funds and falsification of accounts in relation to a development agreement dated December 30, 1997.

Mr. Keki B. Dadiseth:

There is one case filed against Mr. Dadiseth by SEBI, in his capacity as director of Hindustan Lever Limited for contravention of SEBI (Prohibition of Insider Trading) Regulation, 1992.

Mrs. Lalita D. Gupte:

Mr. Surendra Dutta has filed a criminal complaint (FIR I III dated April 9, 2001) against Mrs. Lalita D. Gupte and others, before Rajpura City Police Station, Chandigarh for alleged offence of car booking by forging his signature during 1995 by certain officers of erstwhile Anagram Finance Ltd (AFL). ICICI Bank (the Bank) has made submissions to DIG, Patiala that the directors of the Bank cannot be proceeded against for an alleged offence committed by AFL in 1995 as AFL was taken over by erstwhile ICICI Ltd in 1998. The DIG Patiala having been convinced has directed investigating officer of Rajpura Police Station not to proceed in the matter without explaining entire details to him. The matter is pending before the Investigating Officer for the purpose of investigation but is not being proceeded with as the files relating to the same are not traceable.

Promoter and Promoter Group

Promoter/Promoter Group	Nature and Number of Case	Amount Involved
Godrej and Boyce Manufacturing Company Limited	417 consumer case	Rs. 11.75 million
	341 labour related claims	Total amount is not quantifiable
	37 excise duty cases	Rs. 355.91 million
	150 sales tax cases	Rs. 252.40 million
	21 civil cases	Rs. 27.10 million
	18 property related cases	Total amount is not quantifiable
	Two intellectual property cases	Total amount is not quantifiable
	10 miscellaneous cases	Rs. 5.70 million
Godrej Industries Limited	Four criminal cases	Rs. 0.2 million
	126 excise cases	Rs. 169.22 million
	38 customs cases	Rs. 82.13 million
	10 criminal cases	Rs. 4.63 million
	63 miscellaneous cases	Rs. 75.25million

	8 service tax cases	Rs. 1.42 million
	7 industrial relations cases	Rs. 4.20 million
	5 consumer cases	Rs. 0.01 million
	14 income tax cases	Rs. 524.50 million
Geometric Limited	10 custom cases	Rs. 21.04 million
	2 civil cases	Rs. 1,200.00 million
	2 income tax cases	Rs. 1.14 million
Godrej Agrovvet Limited	28 consumer cases	Rs. 15.09 million
	2 suits	No monetary claim involved
	2 excise cases	Rs. 25 million
	2 sales tax	Rs. 50 million
	6 income tax cases	Rs. 21.34 million
	7 civil cases	Rs. 3.56 million
Godrej Consumer Products Limited	2 criminal cases	Nil
	5 labour cases	Rs. 1.46 million
	10 excise cases – show cause notice	Rs. 156.97 million
	12 sales tax cases	Rs. 67.06 million
	3 intellectual property cases	Nil
	5 consumer cases	Rs. 1.22 million
	6 miscellaneous cases	Rs. 2.61 million
Godrej Infotech Limited	1 suit	Rs. 0.26 million
Godrej Sara Lee Limited	38 sales tax cases	Rs. 105.82 million
	4 excise cases	Rs. 10.00 million
	5 cases under Trade and Merchandise Marks Act	No monetary claim involved
	3 consumer cases	Rs. 0.2 million
	4 cases under Industrial Disputes Act, 1947	Rs. 0.4 million
	1 case under Standards of Weights and Measures (Packaged Commodity) Rules, 1977	No monetary claim involved
	1 case under Negotiable Instruments Act, 1881	No monetary claim involved
	1 motor accident claim case	No monetary claim involved
	1 case under Insecticides Act 1968	No monetary claim involved
	8 civil cases	Rs. 3.5 million
Goldmohur Foods and Feeds Limited	2 consumer cases	Rs. 2.25 million
	8 criminal cases	No monetary claim involved
	7 civil cases	Rs. 2.16 million
	4 sales tax cases	Rs. 1.38 million
Mercury Manufacturing Company Limited	2 labour related cases	No monetary claim involved
Godrej Hersheys Limited	1 case under Trademarks Act, 1999	No monetary claim involved

Godrej Hicare Limited	1 labour appeal	Rs. 1 million
	1 Negotiable Instruments Act case	Rs. 0.35 million

37. *We will be controlled by our Promoters and potential conflicts of interest may exist or arise as a result.*

After the completion of the Issue, our Promoters will control, directly or indirectly, 83.79% of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant influence over all matters requiring shareholder approval, including the composition of our Board of Directors, and will also have effective veto power with respect to any shareholder action or approval requiring majority voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters will always act in your best interests.

In addition, our Promoters may have interests in other businesses which are also in the real estate and property development industry, and some of the companies of our Promoter Group continue to carry on the same business as us. These transactions and interests in the present and future may potentially involve a conflict of interest which may adversely affect our business or harm our reputation.

38. *We have experienced negative cash flows in prior periods.*

We have experienced negative cash flows from operating, investing and financing activities of Rs. 74.80 million, in the year ended March 31, 2008 and Rs. 23.95 million, in the year ended March 31, 2007. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

39. *Our contingent liabilities could adversely affect our financial condition.*

Our contingent liabilities as disclosed in our restated consolidated financial statements, as per Indian GAAP as of March 31, 2008 were as follows:

Particulars	(Rs. in million)
Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 partly paid shares respectively of Tahir Properties Limited	0.01
Claims against the Company not acknowledged as debts represent cases filed by parties in the consumer forum and High Court and disputed by the Company as advised by our advocates.	7.88
Claims against the Company under the labour laws	1.99
Guarantees given by banks, counter guaranteed by the Company	6.00
Letters of credit issued by banks on behalf of the Company	1.91
Claim against the Company under Bombay Stamp Act, 1958	14.85
Other claims against the Company not acknowledged as debts	3.93

If any of these contingent liabilities materialise, our profitability may be adversely affected.

40. *Certain of our Promoter Group Companies and Subsidiaries have incurred losses in the last three fiscal years.*

Certain of our Promoter Group Companies and Subsidiaries have incurred losses (as per their standalone financial statements) in the last three fiscal years, as set forth in the table below:

Name of Group Company	Fiscal Year ended March 31,			
	2008	2007	2006	2005

(Rs. in million)

Subsidiaries:				
Girikandra Holiday Homes & Resorts Limited	(0.01)	*	*	
Godrej Realty Private Limited	(0.96)	(1.14)	-	
Godrej Waterside Properties Private Limited	(1.56)	(1.85)	-	
Godrej Developers Private Limited	*	(0.03)	-	
Godrej Real Estate Private Limited	(0.02)	(0.03)	-	
Godrej Sea View Properties Private Limited	(0.04)	(0.03)	-	
Happy Highrises Limited	0.01	(0.01)	(0.01)	
Promoter Group Companies:				
Cauvery Palm Oil Limited		(1.97)	(1.88)	(3.17)
Godrej Efacec Automation and Robotics Limited		6.38	(1.34)	(1.74)
Godrej Global Solutions Limited		(20.36)	(0.61)	1.03
Godrej Oil Plantation Limited		(1.56)	-	-
Golden Feed Products Limited		(1.56)	(14.00)	Nil
Godrej Hershey Limited		(187.90)	(171.70)	(214.26)
Godrej HiCare Limited		18.23	10.43	(11.30)

*The amount involved is less than Rs. 0.01 million

	Year ended			
	March 31, 2008	March 31, 2007	January 1, 2006 to March 31, 2006	January 19, 2005 to December 31, 2005
Godrej Global Solutions (Cyprus) Limited	-	2.09	(0.32)	1.49

	Year ended			
	March 31, 2008	March 31, 2007	January 1, 2006 to March 31, 2006	April 8, 2005 to December 31, 2005
Godrej Global Solutions, Inc ("GGSI")	-	6.93	0.75	(0.49)

	Year ended December 31,			
	2007	2006	2005	2004
Godrej (Singapore) Pte Limited (for the year ended December 31)	(8.45)	(27.27)	(5.74)	

We cannot assure you that these companies will be profitable in the future or at all.

41. We have issued Equity Shares during the last year at a price which may be below the Issue Price.

We have issued Equity Shares to the persons as described below in the year preceding the date on which this Draft Red Herring Prospectus is filed with SEBI, which may be at a price lower than the Issue Price:

Name of the Shareholder	Date of Issue	Whether Belongs to Promoter Group	Number of Equity Shares of Rs. 10 each	Issue Price per Equity Share	Reasons for Issue
Godrej Industries Limited	November 29, 2007	Yes	42,117,160	-	Bonus
Mr. Nadir B. Godrej	November 29, 2007	Yes	1,538,000	-	Bonus
Mr. Rishad K. Naoroji	November 29, 2007	Yes	1,538,000	-	Bonus
Mr. Navroze J. Godrej	November 29, 2007	Yes	799,760	-	Bonus
Ms. Freyan V. Crishna	November 29, 2007	Yes	799,760	-	Bonus
Ms. Raika J. Godrej	November 29, 2007	Yes	738,240	-	Bonus
Ms. Nyrika V. Crishna	November 29, 2007	Yes	738,240	-	Bonus
Ensemble Holdings and Finance Limited	November 29, 2007	Yes	614,360	-	Bonus
Ms. Tanya A. Dubash	November 29, 2007	Yes	512,672	-	Bonus

Ms. Nisaba A. Godrej	November 29, 2007	Yes	512,664	-	Bonus
Mr. Pirojsha A. Godrej	November 29, 2007	Yes	512,664	-	Bonus
Bahar Agrochem and Feeds Private Limited	November 29, 2007	No	1,107,360	-	Bonus
Vora Soaps Limited	November 29, 2007	No	27,480	-	Bonus
Godrej Industries Limited	December 17, 2007	Yes	2,419,354	620.00	Rights

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

As of March 31, 2008, our outstanding loans were Rs. 2,731.20 million. There are certain restrictive covenants in the arrangements we have entered into with the banks. As per the terms of these agreements, we are prohibited from creating, assuming or incurring any additional long-term indebtedness without the prior consent of our lenders. Additional restrictive covenants require us, among other things, to maintain in favour of the bank a margin between the value of mortgaged property and the balance due to the bank, as the bank may stipulate from time to time, and to keep the mortgaged properties insured for full market value against certain risks. We also require prior consent of our lenders for effecting any change in our ownership, control and management as well as for making any amendments to the Memorandum and Articles. Further, the loan agreements provide that we cannot create any further charges or encumbrances over mortgaged property and that we may not part with hypothecated property or any part thereof without the prior written consent of the lending bank. Additionally, we are permitted to use the funds only for the purpose for which they have been borrowed and thus any transfer of funds to our associate/group companies may require the prior consent of the banks. Furthermore, our arrangements with the lending banks permit the bank to withdraw or recall their loans or debit the instalments or interest payable from any of our accounts maintained with the bank, at the bank's absolute discretion, without any prior notice to us and the bank may impose overdue interest at the specified rates in the event of any default or may vary the interest rates, without giving prior notice to us.

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

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

We recognise the revenue generated from our residential and commercial projects on the percentage of completion method of accounting. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations" beginning on page 253 of this Draft Red Herring Prospectus. We cannot assure you that the estimates used under the percentage of completion method will equal either the actual cost incurred or revenue received with respect to these projects. The effect of such changes to estimates is recognised in the financial statements of the period in which such changes are determined. This may lead to significant fluctuations in revenues and development costs. Therefore, we believe that period-to-period comparisons of our results of operations may not be indicative of our future performance. Such fluctuations in our revenues and costs could also cause our share price to fluctuate significantly.

44. *Our established brand name may be adversely affected by events beyond our control.*

We believe the "Godrej" brand is recognisable amongst the populace in India due to its long presence in the Indian market and the diversified businesses in which the Godrej group operates. However, there can be no assurance that this established brand name will not be adversely affected in the future by events such as actions that are beyond our control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source. Any damage to this brand name, if not immediately and

sufficiently remedied, could have an adverse effect on our business, financial condition and results of operations.

45. *We have not entered into any definitive agreements to use a substantial portion of the Net Proceeds of the Issue.*

The deployment of funds as described in the section “Objects of the Issue” beginning on page 34 of this Draft Red Herring Prospectus is at the discretion of our Board, though it is subject to monitoring by an independent agency. While we have entered into various acquisition agreements such as MoUs, agreements to sell, term sheets and allotment letters by State Governments/development authorities in various cities for the acquisition of land and/or development rights, we have not entered into definitive agreements for [●]% of the Net Proceeds of the Issue. There can be no assurance that we will be able to conclude definitive agreements for such investment on terms anticipated by us or at all.

46. *Our funding requirements and the deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.*

Our funding requirements and the deployment of the Net Proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our project expenditure programmes and an increase or decrease in our proposed expenditure for a particular project.

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

While the GoI has permitted FDI of up to 100% without prior regulatory approval in townships, housing, built-up infrastructure and construction and development projects, it has issued a notification titled Press Note No. 2 (2005 Series), dated March 3, 2005, which subjects such investment to certain restrictions. Our inability to raise additional capital as a result of these and other restrictions could adversely affect our business and prospects. For more information on these restrictions, see the section titled “Regulations and Policies” beginning on page 85 of this Draft Red Herring Prospectus.

48. *The cyclical nature of the Indian real estate market could cause us to experience fluctuations in property values over time.*

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

Risks relating to the Investment in Equity Shares

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

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

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for

the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

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

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

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

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

The Government has proposed an amendment to the SCRR wherein a minimum public holding of 25% for an initial and continuous listing would be mandatory. If such amendment becomes effective, we may have to issue additional equity shares or our existing shareholders may have to sell their existing holdings. Any such further issuance or sale by our existing shareholders may affect the market price of our equity shares.

Notes to Risk Factors:

- Public Issue of 9,429,750 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. [●] million. The Issue would constitute 13.5% of the post issue paid up capital of the Company. The Company is considering a Pre-IPO Placement of up to 2,444,750 Equity Shares with certain investors ("Pre-IPO Placement"). The Company will complete the issuance of such Equity Shares prior to the filing of the RHP with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.
- In accordance with Rule 19(2) (b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process whereby at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- On December 2, 1992 the face value of the equity shares of Rs. 100 each were sub-divided into equity shares with a face value of Rs. 10 each.

- The Company's net worth as at March 31, 2008 was Rs. 2,421.54 million as per our restated financial statements under Indian GAAP.
- The net asset value per Equity Share as at March 31, 2008 was Rs. 41.24 as per our restated financial statements under Indian GAAP.
- The average cost of acquisition of per Equity Share by our Promoters, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is Rs. 38.21.
- Refer to the notes to our financial statements relating to related party transactions in the section titled "Related Party Transactions" on page 160 of this Draft Red Herring Prospectus.
- For details of transactions in Equity Shares undertaken by our Promoter and Promoter Group, see the section titled "Capital Structure" on page 23 of this Draft Red Herring Prospectus
- For details of the interests of our Directors and Key Managerial Personnel, please refer to the section titled "Our Management" on page 107 of this Draft Red Herring Prospectus. For details of the interests of our Promoters and Promoter Group, please refer to the section titled "Our Promoters and Promoter Group" on pages 123 of this Draft Red Herring Prospectus.
- Except as disclosed on page 24 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash. See the section titled "Capital Structure" on page 23 of this Draft Red Herring Prospectus
- Investors may contact the BRLMs and Syndicate Members for any complaints, information or clarifications pertaining to the Issue. The BRLMs and Syndicate Members are obliged to provide the same to investors.
- Investors are advised to refer to the section titled "Basis for Issue Price" on page 39 of this Draft Red Herring Prospectus before making an investment.
- Investors may note that in case of over-subscription in the Issue, Allotment to Bidders in all of the categories shall be on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill over from other categories at our discretion, in consultation with the BRLMs. For more information, please refer to the section titled "Basis of Allotment" on page 334 of this Draft Red Herring Prospectus.
- All information shall be made available by the BRLMs, Syndicate Members and the Company 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.
- Trading in the Equity Shares shall be in dematerialised form only.
- We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. The name of our Company was changed to Godrej Properties and Investments Private Limited pursuant to a special resolution of the shareholders dated July 2, 1990. The fresh certificate of incorporation consequent upon the name change was granted to us on July 16, 1990. In the year 1991, the status of our Company was changed to a deemed public company by deletion of the word "private" from the name of the Company and subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting on August 1, 2001 and the same was approved by the RoC on September 18, 2001. Our name was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting on November 23, 2004. The fresh certificate of incorporation consequent to the change of name was granted on December 10, 2004 by the RoC.

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

We are one of the leading real estate development companies in India and are based in Mumbai, Maharashtra. We currently have real estate development projects in 11 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company undertaking our projects through our in-house team of professionals and by partnering with companies with domestic and international operations.

Our parent company, Godrej Industries Limited, currently holds 81.41% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments.

We entered into our first project in 1991. We initially concentrated our operations in the Mumbai Metropolitan region and later expanded to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi and Greater Noida.

“Developable Area” refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as “super built-up” area. “Saleable Area” refers to the part of the Developable Area relating to our economic interest in such property. As of May 15, 2008, we have completed a total of 19 projects comprising 13 residential and six commercial projects, aggregating approximately 3.62 million sq. ft. of Developable Area.

Our Land Reserves may be broadly classified into land to be developed by us as “ongoing projects”, which are projects for which approval to begin construction has been granted by the relevant authority (“Ongoing Projects”), and “forthcoming projects”, which are projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-agricultural/commercial/residential use has been submitted to the relevant authority; and (iii) internal project development plans are complete (“Forthcoming Projects”).

Our total Land Reserves currently stands at 404 acres, aggregating to approximately 78.87 million sq. ft. of Developable Area and 54.98 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 54.1 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of May 15, 2008:

Location	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	1.38	0.55	8
Pune	0.55	0.16	4

Location	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Bangalore	2.87	2.18	26
Kolkata	6.76	4.71	31
Hyderabad	9.60	9.60	34
Mangalore	0.78	0.57	5
Ahmedabad	40.42	27.32	223
Chandigarh	0.46	0.19	2
Kochi	2.83	1.98	15
Chennai	1.90	1.42	14
Greater Noida	11.32	6.30	42
TOTAL	78.87	54.98	404

* Area refers to the share of the Company only.

In addition, we have entered into memoranda of understanding with certain members of the Godrej group of companies for developing land owned by them in various regions across the country. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. The details of these memoranda of understanding are as follows:

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bangalore	100
Godrej Industries Limited	Mumbai	35
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		220

For further details of the memoranda of understanding, please refer to the section titled “History and Corporate Structure” and “Our Business– Memoranda of Understanding with the Godrej Group Companies”, beginning on pages 93 and 81, respectively, of this Draft Red Herring Prospectus.

Our consolidated total income was Rs. 2,275.09 million for the fiscal year 2008 and Rs. 1,372.62 million for the fiscal year 2007, as compared to Rs. 704.58 million for the fiscal year 2006. Our consolidated profit after tax and minority interest was Rs. 760.28 million for the fiscal year 2008 and Rs. 288.23 million for the fiscal year 2007, as compared to Rs. 121.33 million for the fiscal year 2006.

Our Strengths

We believe that the following are our principal strengths:

Established brand name

We are a part of the Godrej group of companies, which is one of the leading conglomerates in India. We believe the “Godrej” brand is instantly recognisable amongst the populace in India due to its long presence in the Indian market, the diversified businesses in which the Godrej group operates and the trust we believe it has developed over 111 years of operations. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

We believe we have carried forward this brand name and reputation for quality to the real estate market in our locations of operation. Transparency and efficiency in operations have helped us in developing long-term relationships with our customers as well as investors in the real estate market, business partners, contractors and suppliers. We were also featured among the top ten construction companies in India for the years 2006 and 2007 according to a study conducted by “Construction World”.

Land Reserves in strategic locations

As of May 15, 2008, we have Land Reserves comprising 404 acres aggregating approximately 78.87 million sq. ft. of Developable Area and 54.98 million sq. ft. of Saleable Area, located in or near prominent and growing cities across India, such as Mumbai, Pune and Ahmedabad. These include land parcels which we own directly, and land parcels over which we have development rights through agreements or memoranda of understanding.

Business development model

Along with selective acquisition of land parcels in strategic locations, we enter into development agreements with land owners to acquire development rights to their land in exchange for a pre-determined portion of revenues, profits or developable area generated from the projects. We believe that the Godrej brand name and the reputation associated with it contribute in attracting potential joint development partners as well as our existing partners. This business model enables us to undertake more projects without having to invest large amounts of money towards purchasing land. We are thereby able to limit our risk through project diversification while maintaining significant management control over our projects.

Execution methodology

We focus on the overall management of our projects, including land acquisition, project conceptualisation and marketing. We work with service providers which enable us to access third party design, project management and construction expertise.

We use critical chain project management or “CCPM” methodology to manage our projects. In the real estate industry, where uncertainties, delays and budget overruns are frequent, we believe that CCPM builds reliability in the timely completion of our projects. To facilitate CCPM, we use “Concerto”, a CCPM specialised software, to ensure the effective control and monitoring of our projects by our core management team. Concerto software allows multi-site communications and provides critical chain scheduling features, reporting formats and portfolio management features. It aids in reducing losses of time and capacity, dealing with uncertainties and ensuring our commitments are met.

We also associate with other third party architects, project management consultants, contractors and international property consultants. We are also in the process of implementing SAP[®], an enterprise resource planning software. This execution methodology enables us to access resources and techniques available in the market and to rapidly scale up our operations.

Emphasis on innovation

We consider innovation to be a key success factor in the property development business. We believe we were one of the early developers in India to extensively implement the joint development model with land owners for real estate development and that we were one of the first companies to implement Stern Stewart’s Economic Value Added concept of measuring financial performance in the real estate business in India. We also undertake regular satisfaction surveys to measure the satisfaction level of our customers as well as joint venture partners. We are one of the few property development companies in India to provide its customers with an online interactive portal allowing customers to access critical information regarding their property including accounts and progress of project development. In addition, we are a founding member of the Indian Green Building Council, which is actively involved in promoting the green building concept in India with a vision to serve as a single point solutions provider and facilitator for green building activities in India.

Qualified and skilled employee base and human resource practices

We believe that a motivated and empowered employee base is the key to our competitive advantage. Our Board includes a combination of executive as well as independent members who bring us significant business experience. Our key managerial personnel are qualified professionals many of who have spent a number of years in various functions of real estate development. Our employee value proposition is based on a strong

focus on employee development, an exciting work culture, empowerment and competitive compensation. The Godrej Organization for Learning and Development, e-MBA, “Young Executive Board” and “Think Tank” are our key internal human resource initiatives for the development of talent. Various processes such as performance improvement, talent management and competency management are supported online by a Peoplesoft® Human Resource Management System customised for us. We believe that the skills and diversity of our employees gives us the flexibility to adapt to the future needs of our business.

Our Business Strategies

The following are the key elements of our business strategy:

Enhance and leverage the Godrej brand and the group resources

One of our key strengths is our affiliation and relationship with the Godrej group and the strong brand equity generated from the “Godrej” brand name. We believe that our customers and consumers perceive the Godrej brand to be that of a quality provider of products and services. We believe that the strength of the Godrej brand and its association with quality and reliability help us in many aspects of our business, including land sourcing, expanding into new cities, entering into business associations, and providing relationships with our service providers, investors, lenders and customers. In addition, our association with the Godrej group helps us leverage group resources and initiatives across functions, such as human resources and marketing. For example, we are actively involved in a group-wide branding initiative currently being conducted by Interbrand, a London-based brand consultant, in which our Company has been identified, along with personal grooming, furniture and aerospace divisions, as one of the “hero” businesses of the group. We intend to leverage the brand equity that we enjoy as a result of our relationship with the Godrej group of companies to expand our business.

Expansion across India

We currently have a presence in 11 cities across India. We intend to expand our operations in these cities, as well as into other cities in India, which we believe have the potential for growth. The economic growth in these cities will result in higher disposable incomes in the middle and higher income groups, which, in turn, will result in increased demand for residential housing, as well as high quality retail and commercial space. We recognise that continuing to build on our land reserves in our existing markets is critical to our growth strategy. Additionally, we have either acquired or are in the process of acquiring development rights in various cities such as Mangalore, Chennai, Ahmedabad, Chandigarh, Kochi and Greater Noida, for residential, commercial and integrated township projects. We also, from time to time explore new development opportunities. For example, we have submitted expressions of interest, as a part of a consortium, for the redevelopment of certain land in the Mumbai Metropolitan region. We cannot assure you that we will procure this bid on terms acceptable to us or at all.

Selective outsourcing

We intend to increase the scale of our operations while ensuring quality and efficiency in our operations. Selective outsourcing enables us to undertake more developments and source best-in-class service providers, while optimally utilising our resources. We intend to continue to outsource activities such as design, architecture and construction. We also consider turn-key contracts for project execution and partnering with international property consultants to market our IT parks. We intend to enhance and leverage our existing relationships with leading real estate service providers.

Focus on our execution

We have expanded the scope and scale of our operations. We recognise the importance of delivering quality projects on a timely basis and within the estimated budget. We have implemented several initiatives and processes to enhance our execution capabilities including by engaging Goldratt Consulting in implementing their “Theory of Constraints” along with CCPM. See “– Our Strengths – Execution methodology” above for details on CCPM.

We have also entered into a memorandum of understanding with Larsen & Toubro Limited for its appointment as a contractor for the development of some of our future projects and we will continue to work with other leading third party service providers for activities related to design, project management, cost and quality control and contracting.

SUMMARY FINANCIAL INFORMATION

The selected historical restated non-consolidated and consolidated summary financial information presented below as at and for the financial years ended March 31, 2004, 2005, 2006, 2007 and 2008 has been prepared in accordance with Indian GAAP and should be read together with the Auditors' Reports and the non-consolidated and consolidated financial statements and notes thereto contained in this Draft Red Herring Prospectus and the sections entitled "Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business" on page 162, 249, and 63 respectively, of this Draft Red Herring Prospectus. The summary non-consolidated and consolidated financial information presented below does not purport to project our results of operation or financial condition. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve months ending March 31 of that year.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
FIXED ASSETS					
Gross Block	54.14	44.40	36.38	27.75	27.96
Less : Accumulated Depreciation	27.36	20.34	14.67	14.30	13.96
Net Block	26.78	24.06	21.71	13.45	14.00
Capital Work in Progress / Advance	2.14	2.14	-	-	-
	28.92	26.20	21.71	13.45	14.00
INVESTMENTS	556.95	83.61	64.26	0.02	0.02
DEFERRED TAX ASSET	3.80	3.69	2.91	2.32	1.87
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	115.55	787.90	204.75	182.13	230.14
Sundry Debtors	4,057.12	2,197.88	828.11	409.60	387.68
Cash and Bank Balances	63.96	133.68	149.86	41.78	142.89
Loans & Advances	4,911.65	1,021.99	669.61	756.25	916.77
	9,148.28	4,141.45	1,852.33	1,389.76	1,677.48
LIABILITIES & PROVISIONS					
Secured Loan	985.76	173.90	15.55	187.26	377.07
Unsecured Loan	1,529.84	1,137.07	60.86	254.47	388.61
Current Liabilities	4,398.86	2,366.58	1,306.09	543.86	508.96
Provisions	401.95	127.14	92.76	4.66	32.45
	7,316.41	3,804.69	1,475.26	990.25	1,307.09

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
DEFERRED REVENUE EXPENDITURE	-	-	-	-	0.07
NET WORTH	2,421.54	450.26	465.95	415.30	386.35
REPRESENTED BY					
SHARE CAPITAL	604.20	64.45	64.45	64.45	64.45
RESERVES & SURPLUS	1,817.34	385.81	401.50	350.85	321.90
NET WORTH	2,421.54	450.26	465.95	415.30	386.35

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
INCOME					
Sales	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income	309.53	199.78	129.88	77.09	15.46
Other Income	0.63	0.37	6.99	2.16	0.65
Total Income	2,275.00	1,372.62	704.58	418.48	406.83
EXPENDITURE					
Cost of Sales	867.86	758.40	425.25	261.36	316.69
Employee Remuneration & Benefits	97.96	69.48	22.93	18.53	10.97
Administration Expenses	109.33	35.36	19.77	11.70	15.79
Interest & Finance Charges (Net)	38.18	41.52	52.98	35.60	14.65
Depreciation	8.49	6.88	5.07	3.32	2.72
Total Expenditure	1,121.82	911.64	526.00	330.51	360.82
PROFIT BEFORE TAX	1,153.18	460.98	178.58	87.97	46.01
PROVISION					
For Current Tax	(392.80)	(168.81)	(57.34)	(30.65)	(18.02)
For Fringe Benefit Tax	(1.25)	(0.77)	(0.49)	-	-
For Deferred Tax	0.11	0.78	0.59	0.46	0.10
PROFIT AFTER TAX	759.24	292.18	121.34	57.78	28.09
Surplus Brought Forward	56.71	113.85	76.59	53.48	50.78
AMOUNT AVAILABLE FOR APPROPRIATION	815.95	406.03	197.93	111.26	78.87
<u>Less:</u>					
Interim Dividend	-	270.00	62.00	25.50	-
Proposed Dividend	246.12	-	-	-	20.00
Dividend Distribution Tax	41.83	37.87	8.69	3.33	2.56
Transfer to General Reserve	76.00	41.45	13.39	5.84	2.83
SURPLUS CARRIED FORWARD TO `BALANCE SHEET	452.00	56.71	113.85	76.59	53.48

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
FIXED ASSETS					
Gross Block	398.53	62.74	53.86	45.13	45.34
Less : Accumulated Depreciation	28.19	20.47	14.67	14.30	13.96
Net Block	370.34	42.27	39.19	30.83	31.38
Capital Work in Progress / Advance	2.14	2.14	-	-	-
	372.48	44.41	39.19	30.83	31.38
INVESTMENTS	0.03	0.01	0.01	0.02	0.02
DEFERRED TAX ASSET	3.78	3.67	2.91	2.32	1.86
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	2,847.92	1,172.05	231.61	192.83	240.65
Sundry Debtors	4,057.12	2,197.88	828.11	409.60	387.68
Cash and Bank Balances	86.30	161.10	185.05	41.78	142.89
Loans & Advances	2,853.57	903.72	716.48	728.20	888.91
	9,844.91	4,434.75	1,961.25	1,372.41	1,660.13
LIABILITIES & PROVISIONS					
Secured Loan	1,201.36	247.40	71.90	187.26	377.07
Unsecured Loan	1,529.84	1,137.07	60.86	254.47	388.61
Current Liabilities	4,663.51	2,521.11	1,307.03	543.91	509.01
Provisions	400.84	127.16	92.76	4.66	32.45
	7,795.55	4,032.74	1,532.55	990.30	1,307.14
MISCELLANEOUS EXPENDITURE					
Deferred Revenue Expenditure	-	-	-	-	0.07
Preliminary Expenditure	0.05	0.06	0.01	0.01	0.02
	0.05	0.06	0.01	0.01	0.09
NET WORTH	2,425.70	450.16	470.82	415.29	386.34
REPRESENTED BY					
SHARE CAPITAL	604.20	64.45	64.45	64.45	64.45
RESERVES & SURPLUS	1,814.40	381.83	401.47	350.84	321.89
MINORITY INTEREST	7.10	3.88	4.90	-	-

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
NET WORTH	2,425.70	450.16	470.82	415.29	386.34

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Million					
PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
INCOME					
Sales	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income	309.53	199.78	129.88	77.09	15.46
Other Income	0.72	0.37	6.99	2.16	0.66
Total Income	2,275.09	1,372.62	704.58	418.48	406.84
EXPENDITURE					
Cost of Sales	867.86	758.40	425.25	261.36	316.69
Staff Cost	97.96	69.48	22.93	18.53	10.97
Administration Expenses	109.37	40.88	19.77	11.70	15.79
Interest & Finance Charges (Net)	38.16	40.49	52.98	35.60	14.65
Depreciation	9.20	7.01	5.07	3.32	2.72
Total Expenditure	1,122.55	916.26	526.00	330.51	360.82
PROFIT BEFORE TAX AND MINORITY INTEREST	1,152.54	456.36	178.58	87.97	46.02
PROVISION					
For Current Tax	(392.80)	(169.14)	(57.35)	(30.65)	(18.02)
For Fringe Benefit Tax	(1.25)	(0.77)	(0.49)	-	-
For Deferred Tax	0.11	0.76	0.59	0.46	0.09
NET PROFIT BEFORE MINORITY INTEREST	758.60	287.21	121.33	57.78	28.09
Minority Interest	1.68	1.02	-	-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST	760.28	288.23	121.33	57.78	28.09
Surplus Brought Forward	52.73	113.82	76.58	53.47	50.77
AMOUNT AVAILABLE FOR APPROPRIATION	813.01	402.05	197.91	111.25	78.86
Less:					
Interim Dividend	-	270.00	62.00	25.50	-
Proposed Dividend	246.12	-	-	-	20.00
Dividend Distribution Tax	41.83	37.87	8.70	3.33	2.56
Transfer to General Reserve	76.00	41.45	13.39	5.84	2.83
	363.95	349.32	84.09	34.67	25.39

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
SURPLUS CARRIED FORWARD TO BALANCE SHEET	449.06	52.73	113.82	76.58	53.47

THE ISSUE

Issue of Equity Shares	9,429,750 Equity Shares
Of which:	
QIB Portion*	At least 5,657,850 Equity Shares* (Allocation on a proportionate basis)
of which	
Available for Mutual Funds only	282,893 Equity Shares* (Allocation on a proportionate basis)
Balance of QIB Portion (available for QIBs including Mutual Funds)	5,374,957 Equity Shares* (Allocation on a proportionate basis)
Non-Institutional Portion*	Not less than 942,975 Equity Shares* (Allocation on a proportionate basis)
Retail Portion*	Not less than 2,828,925 Equity Shares* (Allocation on a proportionate basis)

Pre and post-Issue Equity Shares

Equity Shares outstanding prior to the Issue	60,420,259 Equity Shares
Equity Shares outstanding after the Issue	69,850,009 Equity Shares

Use of Issue Proceeds

See “Objects of the Issue” on page 34 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.

- * *Allocation shall be made on a proportionate basis. Undersubscription, if any, in any categories except the QIB Portion, would be allowed to be met with spill over from any of the other categories, at the sole discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Issue is not allocated to QIBs, the entire subscription monies shall be refunded.*
- ** *The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors (“Pre-IPO Placement”). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.*

GENERAL INFORMATION

We were originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 under the Companies Act, 1956 with the RoC. The name of our Company was changed to Godrej Properties and Investments Private Limited pursuant to a special resolution of the shareholders dated July 2, 1990. The fresh certificate of incorporation consequent upon the name change was granted to us on July 16, 1990. In the year 1991, the status of our Company was changed to a deemed public company by deletion of the word “Private” from the name of the Company. Subsequently the status was changed to a public limited company pursuant to a special resolution of the members passed at the extraordinary general meeting on August 1, 2001 and the same was approved by the RoC on September 18, 2001. Our name was further changed to Godrej Properties Limited pursuant to a special resolution of the members passed at the extraordinary general meeting on November 23, 2004. The fresh certificate of incorporation consequent to the change of name was granted on December 10, 2004 by the RoC. For details of the change in our registered office, please refer to the section titled “History and Corporate Structure” on page 93 of this Draft Red Herring Prospectus.

Registered and Corporate Office of our Company

Godrej Properties Limited
Godrej Bhavan, 4th Floor,
4A, Home Street, Fort,
Mumbai 400 001
Tel: (91 22) 6651 0200
Fax: (91 22) 2207 2044
Website: www.godrejproperties.com
Registration Number: 11-35308
Company Identification Number: U74120MH1985PLC035308

Address of Registrar of Companies

Our Company is registered with the RoC situated at the following address:

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

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	Address
Mr. Adi B. Godrej Chairman (Non-Executive) <i>Industrialist</i>	66	Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006
Mr. Jamshyd N. Godrej Director (Non-Executive) <i>Industrialist</i>	59	40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006
Mr. Nadir B. Godrej	56	40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai –

Name, Designation and Occupation	Age (years)	Address
Director (Non-Executive) <i>Industrialist</i>		400 006
Ms. Parmeshwar A. Godrej Director (Non-Executive) <i>Company Director</i>	63	Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006
Mr. Milind S. Korde Managing Director <i>Service</i>	44	302, Hira Baug, Plot No. 254, Telang Road, Matunga, Mumbai – 400 019
Mr. Amit B. Choudhury Independent Director <i>Company Director</i>	65	C-304, Golden Oak CHS, Hirandani Gardens, Powai, Mumbai – 400 076
Mr. Keki B. Dadiseth Independent Director <i>Company Director</i>	62	8A, Manek, L. D. Ruparel Marg, Malabar Hill, Mumbai- 400 006
Mrs. Lalita D. Gupte Independent Director <i>Banker/Financial Expert</i>	59	Mhaskar Building, 153 – C, Sir Bhalchandra Road, Matunga, Mumbai – 400 019
Mr. Pranay Vakil Independent Director <i>Company Director</i>	61	701, A Wing, Olympus Apartments 5C, Altamount Road, Mumbai – 400 026
Dr. Pritam Singh Independent Director <i>Professor</i>	66	H.No. A-2/14, PWO Complex, Plot No. 1A, Sector 43, Gurgaon -122 001, Haryana

For further details of our Directors, see the section titled “Our Management” on page 107 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Shodhan A. Kembhavi. His contact details are as follows:

Mr. Shodhan A. Kembhavi
Godrej Properties Limited
Godrej Bhavan, 4th Floor,
4A, Home Street, Fort,
Mumbai 400 001
Tel: (91 22) 6651 0200
Fax: (91 22) 2207 2044
Email: secretarial@godrejproperties.com

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

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre,
H. T. Parekh Marg, Churchgate,
Mumbai 400 020
Tel: (91 22) 2288 2460/70
Fax: (91 22) 2282 6580
Email: gpl_ipo@isecltd.com
Website: www.icicisecurities.com
Investor Grievance ID: customercare@isecltd.com
Contact Person: Mr. Mrigesh Kejriwal
SEBI Registration No.: INM000011179

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar,
229 Nariman Point,
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: gpl.ipo@kotak.com
Website: www.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

Syndicate Member

Kotak Securities Limited
1st Floor, Bakhtawar,
229, Nariman Point,
Mumbai – 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 6630 3927
Email: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Mr. Umesh Gupta
BSE: IMB010808153
NSE: IMB230808130

Legal Advisors

Domestic Legal Counsel to the Company
Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Tel: (91 22) 2496 4455

Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

Luthra & Luthra Law Offices

704 – 706, 7th Floor, Embassy Centre,

Nariman Point,

Mumbai 400 021

Tel: (91 22) 6630 3600

Fax: (91 22) 6630 3700

International Legal Counsel to the Underwriters

Jones Day

30 Cecil Street,

#29-01 Prudential Tower,

Singapore 049712

Tel: (65) 6538 3939

Fax: (65) 6536 3939

Registrar to the Issue

Karvy Computershare Private Limited

“Karvy House”, No. 46,

Avenue 4, Street No. 1, Banjara Hills,

Hyderabad 500 034.

Tel: (91 40) 2342 0815-24

Fax: (91 40) 2342 0814

Email: gpl.ipo@karvy.com

Website: www.karvy.com

Investor Grievance ID: gpl.ipo@karvy.com

Contact Person: Mr. M. Murali Krishna

SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

Bankers to the Company

State Bank of India

Corporate Accounts Group Branch

23, J.N. Heredia Marg,

"Voltas House"Ballard Estate,

Mumbai 400 001

Tel: (91 22) 2267 9678

Fax: (91 22) 2267 9203

Email: cmforex.09995@sbi.co.in

Website: www.statebankofindia.com

Auditors to the Company

M/s. Kalyaniwalla & Mistry,

Chartered Accountants

Kalpataru Heritage, 5th Floor,

127, M. G. Road, Fort,
Mumbai 400 001
Tel: (91 22) 2267 7640
Fax: (91 22) 2267 3964
Website: www.km.co.in

Monitoring Agent

[●]

Inter Se Allocation of Responsibilities between the BRLMs

The responsibilities and co-ordination for various activities in this Issue are as follows:

Sr. No	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	I-Sec, KMCC	I-Sec
2.	Due diligence of our Company's operations/ management/business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same	I-Sec, KMCC	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	I-Sec, KMCC	I-Sec
4.	Preparation and finalization of the road-show presentation; Preparation of FAQs for the road-show team	I-Sec, KMCC	I-Sec
5.	Appointment of Printer(s) and Advertising Agency	I-Sec, KMCC	I-Sec
6.	Appointment of Registrar(s) and Banker(s) to the Issue	I-Sec, KMCC	KMCC
7.	Domestic institutional marketing including banks/ mutual funds marketing strategy: finalise the list and division of investors for one to one meetings Finalizing road show schedule and investor meeting schedules.	I-Sec, KMCC	KMCC
8.	International institutional marketing strategy; finalise the list and division of investors for one to one meetings Finalizing road show schedule and investor meeting schedules.	I-Sec, KMCC	I-Sec
9.	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia, - Formulating marketing strategies, preparation of publicity budget; - Finalising Media and PR strategy; - Finalising centres for holding conferences for brokers etc.; - Finalising collection centres; and - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	I-Sec, KMCC	KMCC
10.	Pricing and managing the book	I-Sec, KMCC	I-Sec
11.	Coordination with Stock-Exchanges for book building software, bidding terminals etc.	I-Sec, KMCC	KMCC
12.	The post bidding activities including management of escrow accounts, co-	I-Sec, KMCC	KMCC

Sr. No	Activities	Responsibility	Co-ordinator
13.	ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc The post bidding activities including invoking the underwriting obligations and ensuring that the underwriters pay the amount of devolvement, management of escrow accounts, follow-up with bankers to the issue, coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Offer activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Offer and Bankers to the Offer and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company	I-Sec, KMCC	KMCC

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

Credit Rating

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

IPO Grading

This Issue has been graded by [●] as [●], indicating [●] fundamentals. Pursuant to Clauses 5.6B.1 and 6.17.3A of the SEBI Guidelines, the rationale/description furnished by the credit rating agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustee

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

Project Appraisal

There is no project being appraised.

Book Building Process

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

- Our Company;
- BRLMs;
- Syndicate Member who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member are appointed by the BRLMs;
- Registrar to the Issue; and

- Escrow Collection Banks.

In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, please refer to the section “Issue Structure” on page 310 of this Draft Red Herring Prospectus.

We will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

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

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

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

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see section titled “Issue Procedure - Who Can Bid?” on page 313 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. For Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form (see the section titled “Issue Procedure – Permanent Account Number or PAN” on page 331 of this Draft Red Herring Prospectus);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form; and
5. Bids by QIBs will only have to be submitted to the BRLMs.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●].

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

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

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
ICICI Securities Limited ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.	[●]	[●]
Kotak Mahindra Capital Company Limited 3 rd Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021.	[●]	[●]
Kotak Securities Limited 1 st Floor, Bakhtawar, 229, Nariman Point, Mumbai – 400 021.	[●]	[●]

The abovementioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

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

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

CAPITAL STRUCTURE

The share capital of the Company as at the date of filing this Draft Red Herring Prospectus with SEBI (before and after the Issue) is set forth below.

	(Rs. millions, except share data)	
	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorised Share Capital⁽¹⁾		
100,000,000 Equity Shares	1,000.00	
B. Issued, Subscribed and Paid-Up Share Capital before the Issue		
60,420,259 Equity Shares	604.20	
C. Present Issue in terms of this Draft Red Herring Prospectus		
9,429,750 Equity Shares*	94.30	[●]
D. Equity Share Capital after the Issue		
69,850,009 Equity Shares	698.50	
E. Security Premium Account		
<i>Before the Issue</i>	1475.81	
<i>After the Issue</i>		[●]

* The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.

- (1) The Issue has been authorised by the Board of Directors in their meeting on December 19, 2007 and by the shareholders of our Company at an EGM held on December 24, 2007 under section 81 (1A) of the Companies Act.
- (2) The RBI, by its letters dated January 25, 2008 and March 19, 2008 has clarified that "FIIs may subscribe to the proposed IPO of the company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000". However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

⁽¹⁾ Changes in Authorised Share Capital

- 1) The initial authorised share capital of the Company of Rs. 500,000 divided into 5,000 Equity Shares of Rs. 100 each was split into 50,000 Equity Shares of Rs. 10 each aggregating to Rs. 500,000 pursuant to a resolution of the shareholders at an EGM held on December 2, 1992.
- 2) The authorised share capital of the Company of Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 was increased to Rs. 25,000,000 divided into 2,500,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on January 10, 1994.
- 3) The authorised share capital of the Company of Rs. 25,000,000 divided into 2,500,000 Equity Shares

of Rs. 10 each was increased to Rs. 100,000,000 divided into 10,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on February 6, 1995.

- 4) The authorised share capital of the Company of Rs. 100,000,000 divided into 10,000,000 Equity Shares of Rs. 10 each was increased to Rs. 1,000,000,000 divided into 100,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders at an EGM held on November 16, 2007.

Notes to the Capital Structure

1. Equity Share Capital History of the Company

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

Date of Allotment and when made fully paid up	Number of Equity Shares	Face value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
March 15, 1985	20	100	100	Cash	First Allotment of shares to Mr. Mohan Khubchand Thakur and Ms. Desiree Mohan Thakur	20	2,000	-
December 2, 1992	200	10	-	-	Split in face value of the Equity Shares from Rs. 100 to Rs. 10 per share	200	2,000	-
February 17, 1993	125	10	80,000	Cash	Allotment of Equity Shares*	325	3,250	9,998,750
February 19, 1994	999,375	10	N. A.	Bonus	Bonus Issue	999,700	9,997,000	5,000
March 28, 1994	123,040	10	160	Cash	Rights Issue	1,122,740	11,227,400	18,461,000
February 18, 1995	1,684,110	10	N. A.	Bonus	Bonus Issue	2,806,850	28,068,500	1,619,900
February 18, 1995	300,000	10	100	Cash	Conversion of Fully Convertible Bond's into Equity Shares	3,106,850	31,068,500	28,619,900
March 29, 1995	1,258,133	10	75	Cash	Rights Issue	4,364,983	43,649,830	110,398,545
December 4, 1995	2,000,000	10	75	Cash	Rights Issue	6,364,983	63,649,830	240,398,545

Date of Allotment and when made fully paid up	Number of Equity Shares	Face value per Equity Share (Rs.)	Issue Price per Equity Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Share Capital (Rs.)	Cumulative Share Premium (Rs.)
October 28, 1999	79,562	10	70	Cash	Rights Issue	6,444,545	64,445,450	245,172,265
November 29, 2007	51,556,360	10	N. A.	Bonus	Bonus Issue	58,000,905	580,009,050	0
December 17, 2007	2,419,354	10	620	Cash	Rights Issue	60,420,259	604,202,590	1475,805,940

* Allotment of 6 Equity Shares to Ms. Tanya Dubash, 8 Equity Shares to Ms. Nisaba Godrej, 11 Equity Shares to Mr. Pirojsha Godrej, 12 Equity Shares to Ms. Raika Godrej, 13 Equity Shares to Mr. Navroze J. Godrej, 25 Equity Shares to Mr. Nadir B. Godrej, 13 Equity Shares to Ms. Freyan V. Crishna, 12 Equity Shares to Ms. Nyrika Crishna and 25 Equity Shares to Mr. Rishad K. Naorji

2. Build up of Promoters shareholding:

Sr. No.	Date of Allotment/ Transfer	Allotment/ transfer	Number of Equity Shares	Cumulative shareholding
Godrej Industries Limited				
1	July 3, 1989	Transferred from Puran Plastics and Chemicals Private Limited	4 Equity Shares of Rs. 100 each*	4
2	December 2, 1992	Conversion of face value from Rs. 100 to Rs. 10 per share	40	40
3	February 19, 1994	Allotment	123,000	123,040
4	March 28, 1994	Allotment	123,040	246,080
5	February 18, 1995	Transferred from Vora Soaps Limited	6,700	252,780
6	February 18, 1995	Allotment	379,170	631,950
7	February 18, 1995	Allotment	300,000	931,950
8	March 29, 1995	Allotment	1,258,133	2,190,083
9	December 4, 1995	Allotment	2,000,000	4,190,083
10	March 13, 1996	Transferred from Bahar Agrochem and Feeds Private Limited	92,280	4,282,363
11	March 13, 1996	Transferred from Swadeshi Detergents Limited	83,000	4,365,363
12	March 13, 1996	Transferred from Hybrigene Bio Tech Private Limited	80,000	4,445,363
13	March 13, 1996	Transferred from Puran Plastics and Chemicals Private Limited	30,000	4,475,363
14	July 18, 1996	Transferred from Swadeshi Detergents Limited	212,600	4,687,963
15	July 18, 1996	Transferred from Hybrigene	30,000	4,717,963

Sr. No.	Date of Allotment/ Transfer	Allotment/ transfer	Number of Equity Shares	Cumulative shareholding
		Bio Tech Private Limited		
16	July 18, 1996	Transferred from Puran Plastics and Chemicals Private Limited	338,250	5,056,213
17	July 18, 1996	Transferred from Vora Soaps Limited	84,820	5,141,033
18	March 25, 1997	Transferred from Puran Plastics and Chemicals Private Limited	19,000	5,160,033
19	April 29, 1997	Transferred from Hybrigene Bio Tech Private Limited	55,800	5,215,833
20	October 28, 1999	Allotment	79,562	5,295,395
21	February 22, 2000	Transferred to Godrej Capital Limited	(221,430)	5,073,965
22	August 17, 2005	Transferred from Ensemble Holdings and Finance Limited	190,680	5,264,645
23	November 29, 2007	Allotment	42,117,160	47,381,805
24	December 17, 2007	Allotment	2,419,354	49,801,159
25	December 28, 2007	Transferred to GPL ESOP Trust	(442,700)	49,358,459
26	April 17, 2008	Transferred to the directors and employees of Godrej group	(173,250)	49,185,209

*The face value of Equity Shares at the time of allotment was Rs. 100 each. Subsequently, at the EGM held on December 2, 1992, the shareholders approved the split in the face value of our Equity Shares from Rs. 100 per share to Rs. 10 per share.

3. Promoter's Contribution and Lock-in

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from the date of Allotment in the Issue or from the first date of commencement of commercial production, whichever is later. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under Clause 4.6 and 4.11 of the SEBI Guidelines. Equity shares offered by Promoters for minimum promoter contribution are not subject to pledge.

a. The details of such lock-in are set forth in the table below:

Name	Date of allotment/ acquisition and when made fully paid-up	Nature of allotment	Nature of consideration	No. of shares	Face value (Rs.)	Issue Price/ Purchase Price (Rs/ per share.)	Percentage of post-Issue paid-up capital	Lock-in Period
Godrej Industries Limited	November 29, 2007	Bonus issue	Bonus*	13,970,002	10	-	20.00	3 years
Total				13,970,002			20.00	

* The bonus Equity Shares have not been issued out of revaluation reserves or reserves created without accrual of cash resources or against shares which are otherwise ineligible for computation of

Promoter's contribution.

The minimum Promoters contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Guidelines. We have obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum promoters' contribution subject to lock-in. Further, the Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Guidelines.

b. Details of pre-Issue Equity Share capital locked in for one year:

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years, as specified above, the entire pre-Issue share capital of the Company shall be locked-in for a period of one year from the date of Allotment in the Issue.

In terms of Clause 4.15.1 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only to banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the conditions under which the loan is sanctioned. Further, the Equity Shares constituting 20% of the fully diluted post-Issue capital of the Company held by the Promoters that are locked in for a period of three years from the date of the Allotment of Equity Shares may be pledged only if, in addition to complying with the aforesaid conditions, is when the loan granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

In terms of Clause 4.16.1 (a) of the SEBI Guidelines, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of Clause 4.16.1 (b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

4 Shareholding Pattern of the Company

Pre- and Post-Issue

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

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
Promoters (A)				
Godrej Industries Limited	49,185,209	81.41	49,185,209	70.42
Total (A)	49,185,209	81.41	49,185,209	70.42
Promoter Group				

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
entities (other than the Promoters) (B)				
Mr. Nadir B. Godrej	1,730,250	2.86	1,730,250	2.48
Mr. Rishad K. Naoroji	1,730,250	2.86	1,730,250	2.48
Mr. Navroze J. Godrej	899,730	1.49	899,730	1.29
Ms. Freyan V. Crishna	899,730	1.49	899,730	1.29
Ms. Raika J. Godrej	830,520	1.37	830,520	1.19
Ms. Nyrika V. Crishna	830,520	1.37	830,520	1.19
Ensemble Holdings and Finance Limited	691,155	1.14	691,155	0.99
Ms. Tanya A. Dubash	576,756	0.95	576,756	0.83
Ms. Nisaba A. Godrej	576,747	0.95	576,747	0.83
Mr. Pirojsha A. Godrej	576,747	0.95	576,747	0.83
Total (B)	9,342,405	15.46	9,342,405	13.37
Non Promoter Group entities (C)				
Bahar Agrochem and Feeds Private Limited	1,245,780	2.06	1,245,780	1.78
GPL ESOP Trust	442,700	0.73	442,700	0.63
Vora Soaps Limited	30,915	0.05	30,915	0.04
Others	173,250	0.29	173,250	0.25
Total (C)	1,892,645	3.13	1,892,645	2.71
Total Pre-Issue Share Capital (A+B+C)	60,420,259	100.00	60,420,259	86.50
Public (Pursuant to the Issue) (D)	-	-	9,429,750	13.50
Total Post-Issue Share Capital (A+B+C+D)	-	-	69,850,009	100

5. The Company, the Directors, the Promoters, the Promoter Group, their respective directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
6. The list of top ten shareholders of the Company and the number of Equity Shares held by them is as under:
 - (a) The top ten shareholders of the Company as of the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	49,185,209	81.41
2.	Mr. Nadir B. Godrej	1,730,250	2.86
3.	Mr. Rishad K. Naoroji	1,730,250	2.86
4.	Bahar Agrochem and Feeds Private Limited	1,245,780	2.06
5.	Mr. Navroze J. Godrej	899,730	1.49
6.	Ms. Freyan V. Crishna	899,730	1.49
7.	Ms. Raika J. Godrej	830,520	1.37
8.	Ms. Nyrika V. Crishna	830,520	1.37
9.	Ensemble Holdings and Finance Limited	691,155	1.14
10.	Ms. Tanya A. Dubash	576,756	0.95

- (b) The top ten shareholders of the Company as on May 19, 2008 (i.e. 10 days prior to filing this Draft Red Herring Prospectus) are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	49,185,209	81.41
2.	Mr. Nadir B. Godrej	1,730,250	2.86
3.	Mr. Rishad K. Naoroji	1,730,250	2.86
4.	Bahar Agrochem and Feeds Private Limited	1,245,780	2.06
5.	Mr. Navroze J. Godrej	899,730	1.49
6.	Ms. Freyan V. Crishna	899,730	1.49
7.	Ms. Raika J. Godrej	830,520	1.37
8.	Ms. Nyrika V. Crishna	830,520	1.37
9.	Ensemble Holdings and Finance Limited	691,155	1.14
10.	Ms. Tanya A. Dubash	576,756	0.95

- (c) The top ten shareholders of the Company as on May 29, 2006 (i.e., two years prior to filing this Draft Red Herring Prospectus) were as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Godrej Industries Limited	5,264,645	81.69
2.	Mr. Nadir B. Godrej	192,250	2.98
3.	Mr. Rishad K. Naoroji	192,250	2.98
4.	Bahar Agrochem & Feeds Private Limited	138,420	2.15
5.	Mr. Navroze J. Godrej	99,970	1.55
6.	Ms. Freyan V. Crishna	99,970	1.55

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
7.	Ms. Raika J. Godrej	92,280	1.43
8.	Ms. Nyrika V. Crishna	92,280	1.43
9.	Ensemble Holdings and Finance Limited	76,795	1.19
10.	Ms. Tanya A. Dubash	64,084	0.99

7. None of our Directors or Key Managerial Personnel hold Equity Shares in the Company, except as stated in the section titled “Our Management” beginning on page 107 of this Draft Red Herring Prospectus.

8. Shareholding of the Promoter Group in the Company:

The shareholding of the Promoter Group and directors of the Promoters in the Company as on May 15, 2008 was as below:

Name of Promoter Group /directors of the Promoters	Number of Equity Shares	% of pre Issue share capital
Mr. Nadir B. Godrej	1,730,250	2.86
Mr. Rishad K. Naoroji	1,730,250	2.86
Mr. Navroze J. Godrej	899,730	1.49
Ms. Freyan V. Crishna	899,730	1.49
Ms. Raika J. Godrej	830,520	1.37
Ms. Nyrika V. Crishna	830,520	1.37
Ensemble Holdings and Finance Limited	691,155	1.14
Ms. Tanya A. Dubash	576,756	0.95
Ms. Nisaba A. Godrej	576,747	0.95
Mr. Pirojsha A. Godrej	576,747	0.95
Total	9,342,405	15.46

9. Employee Stock Option Plan (“ESOP”)

We have instituted an employee stock option plan for the employees of the Company to provide an incentive to attract, retain and reward employees to motivate them and create an ownership attitude amongst them thus contributing to the growth and profitability. Pursuant to the resolution of our shareholders and the Remuneration Committee dated December 24, 2007, our Remuneration Committee has granted 442,700 options convertible into 442,700 Equity Shares of face value Rs. 10 each with effect from December 28, 2007, which represent 0.73% of the pre-Issue paid up equity capital of the Company and 0.63% of the fully diluted post-Issue paid up capital of the Company. The following table sets forth the particulars of options granted under the ESOP as of the date of filing the Draft Red Herring Prospectus.

Particulars	Details
Options granted	442,700
Exercise price of options	Rs.620 per share plus interest at a compounding rate of 10.25% p.a. or at such other rate as may be defined by the Remuneration Committee and intimated to the option grantees. In addition to it, such other amount as intimated by the Remuneration Committee from time to time viz

Particulars	Details
	amount of stamp duty and trusteeship fees will be recoverable from the employees
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	442,700
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	Nil
Vesting schedule	Options shall vest in the eligible employees under the ESOP within such period as may be prescribed by the Remuneration Committee, which period shall not be less than one year and may extend upto three years from the date of grant of options
Method and assumptions for estimation of the intrinsic value of the options	The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of underlying equity share on the grant date is same / less than the exercise price of the option, the intrinsic value of the option, therefore being determined as Nil.
Person wise details of options granted to	
i) Directors and key managerial employees	Please refer to the Table in Note 1 below
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis	Nil
Lock-in	Three years from the date of grant i.e., December 28, 2007
Impact on profits of the last three years	Nil

Note 1: Details regarding options granted to our Directors and our Key Managerial Personnel are set forth below:

Name	Position	Number of options granted under ESOP
Mr. Milind S. Korde	Managing Director	60,000
Mr. K. T. Jithendran	Executive Vice President	30,000
Mr. K. P. Sudheer	Vice President (Mumbai region)	20,000
Mr. Nishikant Shimpi	Vice President (Bangalore region)	20,000
Mr. Nitin Wagle	Vice President (Operations)	10,000

Name	Position	Number of options granted under ESOP
Mr. Shodhan A. Kembhavi	Vice President (Legal) and Company Secretary	10,000
Mr. Rajendra Khetawat	Vice President (Finance and Accounts)	10,000
Mr. Santosh Tamhane	Vice President (Projects)	10,000
Ms. Krishnakoli S. Kumar	Vice President (Marketing and Sales)	10,000
Ms. Aylona D'Souza	General Manager (Human Resources and Administration)	7,000

The options issued to our employees and our Directors under our ESOP are in compliance with the SEBI Employee Stock Option/Purchase Guidelines.

10. Except as stated in this chapter, the members of our Promoter Group, the Directors, the Promoters have not purchased or sold any Equity Shares during a period of six months preceeding the date on which this Draft Red Herring Prospectus is filed with SEBI.
11. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
12. Except as stated above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.
13. Subject to the Pre-IPO Placement, if any, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and 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 have been listed.
14. Subject to the Pre-IPO Placement, the Company presently does not intend or propose to alter the 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. However, during such period or at a later date, we may issue Equity Shares pursuant to our employee stock option plan or issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our interest.
15. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
16. As on May 15, 2008 the total number of holders of the Equity Shares was 228.
17. The Company has not raised any bridge loans against the proceeds of the Issue. For details on use of proceeds, see the section titled "Objects of the Issue" on page 34 of this Draft Red Herring Prospectus.
18. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of finalising the Basis of Allotment.
19. We have not issued any Equity Shares out of revaluation reserves. Except as disclosed in the sections titled "Capital Structure – Notes to the Capital Structure" beginning on page 24 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.

19. The Equity Shares being offered in this Issue will be fully paid up at the time of Allotment.
20. As per the RBI regulations, OCBs are not allowed to participate in the Issue.
21. The Equity Shares held by the Promoters are not subject to any pledge.
22. The 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.
23. At least 60% of the Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public. Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories in the Company's sole discretion, in consultation with the BRLMs and the Designated Stock Exchange.
24. The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- Acquisition of land development rights for our Forthcoming Projects;
- Construction of our Forthcoming Project;
- Repayment of loans; and
- General corporate purposes.

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

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

Particulars	Rs. in million
Gross proceeds of the Issue	[•]
Issue related expenses	[•]
Net Proceeds of the Issue	[•]

Expenses of the Issue

The estimated issue related expenses are as follows:

Rs. in million	
Activity	Estimated Expense
Lead management fee, underwriting and selling commission*	[•]
Advertising and marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring Agent fees, Registrar's fee, legal fee, listing fee etc.)	[•]
Total estimated issue expense	[•]

* Will be incorporated after finalization of Issue Price

Use of Net Proceeds

The following table summarises the intended use of Net Proceeds:

Rs. in million									
S. No.	Expenditure Items	Total Estimated Cost	Amount deployed till May 15, 2008*	Balance Payable as on May 15, 2008	Proposed to be funded by internal accruals #	Amount upto which will be financed from Net Proceeds of the Issue	Estimated schedule of deployment of Net Proceeds for		
							FY 2009	FY 2010	FY 2011
1.	Acquisition of land development rights for our Forthcoming Projects	4,050.00	500.00	3,550.00	Nil	3,550.00	3,150.00	400.00	-
2.	Construction of our Forthcoming Project	1,008.44	16.58	991.86	Nil	750.00	200.00	400.00	150.00
3.	Repayment of loans	1,500.00	Nil	1,500.00	Nil	1,500.00	1,500.00	-	-
4.	General corporate purposes	-	-	-	-	[•]	[•]	[•]	[•]

S. No.	Expenditure Items	Total Estimated Cost	Amount deployed till May 15, 2008*	Balance Payable as on May 15, 2008	Proposed to be funded by internal accruals #	Amount upto which will be financed from Net Proceeds of the Issue	Estimated schedule of deployment of Net Proceeds for		
							FY 2009	FY 2010	FY 2011
	Total	6.558.44	516.58	6.041.86	Nil	[•]	[•]	[•]	[•]

* The amount has been funded by the Company out of its internal accruals and facilities provided by different banks/financial institutions as per certificate from M/s Kalyaniwalla & Mistry, Chartered Accountants dated May 28, 2008

As per certificate from M/s Kalyaniwalla & Mistry, Chartered Accountant dated May 28, 2008 certifying availability of adequate resources to finance the balance funding required

Any shortfall in the Objects of the Issue and the Gross Issue proceeds would be met through firm arrangements with financial institutions.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or other financial condition, business or strategy, as discussed further below.

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 or debt.

In addition, the fund requirements are based on the current internal management estimates of our Company. We operate in a highly competitive, dynamic market, and may have to revise our estimates from time to time on account of new projects that we may pursue including any industry consolidation initiatives, such as potential acquisition opportunities. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays in our Forthcoming projects. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects which are not currently planned, discontinuing projects currently planned and an increase or decrease in the expenditure for a particular project or land acquisition or land development rights in relation to current plans, at the discretion of the management of the Company. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from our cash flow from operations or debt. The entire requirement of funds as set out above will be met through the Net Proceeds. In the event the estimated utilisation of the Net Proceeds in a fiscal is not completely met, the same shall be utilised in the next fiscal.

Details of the Objects

Acquisition of land development rights for our Forthcoming projects

We are in the business of real estate development including residential, commercial and township development and we intend to acquire further land development rights in order to facilitate our expansion and diversification. For details of our business, see the section titled “Our Business” on page 63 of this Draft Red Herring Prospectus.

We intend to utilize a part of the Net Proceeds to finance the acquisition of land development rights for our Forthcoming Projects.

Estimated acquisition cost of land development rights

We have entered into an agreement and MoU as given below for grant of development rights in cities such as Ahmedabad and Greater Noida respectively:

(Rs. in million)								
S. No.	Project Name	Plot Area (acres)	Total cost of Land development rights (Rs. Mn)	Amount Paid till May 15, 2008* (Rs. Mn)	Amount Paid as percentage of Total Cost of Land Development Rights (%)	Balance payable after May 15, 2008	Nature of Contract/ Documentation **	Status of property
1	Godrej Ahmedabad Township	330.00	3,250.00	500.00	15.38	2,750.00	Agreement for grant of development rights dated April 15, 2008	Forthcoming project
2	Godrej Greater Noida - I	76.04	800.00	-	-	800.00	Memorandum of Understanding dated May 2, 2008	Forthcoming project
Total		406.04	4,050.00	500.00	12.35	3,550.00		

* As per certificate from Kalyaniwalla & Mistry, Chartered Accountants dated May 28, 2008

**For a description of the nature of each of the documents, please refer to the section titled "Our Business" on page 63 of this Draft Red Herring Prospectus

For the Ahmedabad Township we are required to make certain payments shortly. For such purpose we propose to utilise our existing financing facilities with various banks and institutions details of which are mentioned in the section titled "Financial Indebtedness" on page 265 of this Draft Red Herring Prospectus. To the extent of such utilisation of the above facility we would utilise our Issue Proceeds to repay such amounts. Further details and updations shall be included in the Red Herring Prospectus.

None of the above mentioned land development rights forming part of our land reserves have been or are being purchased from our Promoters.

In respect of many of our land development rights to be acquired, we are required to pay an advance at the time of executing an agreement. The estimated amounts paid as described above include such advances and deposits. The above amount payable will be financed through debt and Issue proceeds.

Construction of our Forthcoming project

We are constructing and developing a commercial project in Chandigarh and intend to additionally deploy Rs. 991.86 million for the construction of this Forthcoming Project.

Details of the project

The details of our Forthcoming project, like the total project cost and the costs already incurred are as set forth in the table below:

(Rs. in million)										
Sr. No.	Name of the Project	Saleable Area (in Sq ft)	Start Year/ Estimated Start Year	Estimated Completion Year	Total Construction Cost	Amount deployed as of May 15, 2008 *	Balance Payable after May 15, 2008	Break-up of the Funding of the Total Cost of the Project		Nature of Contract/ Documentation**
								Internal Accruals	Net Proceeds of the Issue	
1.	Godrej Chandigarh - I	191,374	2008	2011	1,008.44	16.58	991.86	Nil	750.00	Joint development agreement
	Total	191,374			1,008.44	16.58	991.86	Nil	750.00	

* As per certificate from Kalyaniwalla & Mistry, Chartered Accountants dated May 28, 2008

** For a brief description of the nature of the contract please refer to the 'Our Business' section on page 63 of this Draft Red Herring Prospectus.

Note: For the purpose of the above computation, in cases where projects comprise of multiple phases, we have considered only those phases which we expect to be completed by 2011.

Means of Finance

The following is a summary of our means of financing for acquisition of land development rights and construction activities:

	Amounts (Rs. in million)
Total Cost	5,058.44
Amounts paid as on May 15, 2008*	516.58
Amounts Payable as on May 15, 2008	4,541.86
Proposed to be funded through Net Proceeds of the Issue	4,300.00
Financing from Debt Facilities#	241.86

* As per certificate from M/s. Kalyaniwalla & Mistry, Chartered Accountants dated May 28, 2008

For details of the financing arrangement please refer to the section titled "Financial Indebtedness" on page 265 of this Draft Red Herring Prospectus

In case of shortfall in the Net Proceeds of the Issue, the fund requirements may be met out of internal accruals and / or debt funds. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Based on the certificates received from M/s. Kalyaniwalla & Mistry, Chartered Accountants, we confirm that firm arrangements through verifiable means towards 75% of the stated means of finance, excluding Net Proceeds of the Issue, have been made.

Repayment of loans taken from various lenders

Our Company has entered into various financing arrangements with a number of banks/financial institutions. These arrangements include secured and unsecured loans from banks/financial institutions. For details of the financing arrangements, see the section titled "Financial Indebtedness" on page 265 of this Draft Red Herring Prospectus.

The Company intends to utilize the Net Proceeds of the Issue towards repayment of a sum of up to Rs. 1,500.00 million out of the amount outstanding under the financing arrangements. Additionally, the Company may also utilize its existing financing facilities with various banks and institutions to make certain payments in relation to the Ahmedabad Township. To the extent of such utilization we would increase the Net Proceeds of the Issue towards repayment of such additional loans. The Company will give preference to repaying high costs debts in order to reduce the interest burden. There are no prepayment penalties under the above loan agreements. In view of the requirements of our business and the dynamic nature of our industry, the Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus, the Company may reduce or increase the amount of repayments of loan.

We have also received the consent from all the banks/financial institutions with which we have existing financing arrangements for this Issue.

General Corporate Purposes

The Net Proceeds from the Issue will be first utilised towards the aforesaid items and the balance is proposed to be utilized for general corporate purposes including strategic initiatives and acquisitions, brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds

may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds of the Issue, our management may also 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 for the purposes mentioned above and earmarked for general corporate purposes.

Interim use of funds

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

Monitoring Utilization of Funds

Our Board and [●], the Monitoring Agency will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements for fiscal 2009, fiscal 2010 and fiscal 2011, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 43A and Clause 49 of the Listing Agreement.

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the real estate sector:

- Established Brand Name;
- Land Reserves in Strategic Locations;
- Business Development Model;
- Execution Methodology;
- Emphasis on Innovation;
- Qualified and Skilled Employee Base and Human Resource Practices.

For further details, refer to “Our Business - Our Strengths” on page 64 and Risk Factors on page xxvii of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from the Company’s restated consolidated audited financial statements, as at and for the year ended March 31, 2008, 2007 and 2006 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. *Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20*

Period	EPS (Rs.)	Weight
12 months ended March 31, 2008	12.95	3
12 months ended March 31, 2007	4.97	2
12 months ended March 31, 2006	2.09	1
Weighted Average	8.48	

2. *Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [●] per share of Rs. 10 each*

- a. P/E ratio in relation to the Floor Price : [●] times
- b. P/E ratio in relation to the Cap Price : [●] times
- c. P/E based on EPS for the year ended March 31, 2008 : [●] times
- d. P/E based on Weighted average EPS : [●] times
- e. Industry P/E*
 - i. Highest : 95.1
 - ii. Lowest : 2.3
 - iii. Industry Composite : 31.5

*Source: Capital Market Magazine, May 19-Jun 01, 2008 issue, Industry: Construction

3. *Average Return on Net worth (RoNW)*

Year ended	RoNW (%)	Weight
12 months ended March 31, 2008	31.43	3
12 months ended March 31, 2007	64.58	2
12 months ended March 31, 2006	26.04	1

Weighted Average	41.58
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4. **Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS is [●]**

5. **Net Asset Value**

NAV as at March 31, 2008	: Rs. 41.19 per Equity Share
NAV after the Issue	: Rs. [●] per Equity Share
Issue Price	: Rs. [●] per Equity Share

$$\text{NAV per equity share} = \frac{\text{Networkth excluding Revaluation Reserves}}{\text{Weighted Average number of equity shares outstanding during the year}}$$

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. **Peer Group Comparisons (Industry Peers)**

Name of the Company	Face Value per share(Rs.)	Trailing Twelve Months		Last reported Financial Year (*,#)		
		EPS (Rs.)	P/E as on May 12, 2008	RoNW (%)	NAV per share	Sales (Rs. Mn)
Godrej Properties Limited [#]	10	13.0	[●]	31.4%	41.2	1,965
Mahindra Lifespace Developers Limited [#]	10	10.5	57.8	3.0%	209.2	1,721
Puravankara Projects Limited [#]	5	9.9	26.7	71.6%	54.9	5,658
Parsvnath Developers Limited [*]	10	23.4	9.1	32.7%	79.2	12,361
Peninsula Land Limited (9 months) [*]	2	3.3	28.0	70.1%	34.4	3,194
Sobha Developers Limited [*]	10	30.2	18.5	34.1%	111.9	11,865
Omaxe Limited [*]	10	NA	NA	47.0%	50.3	9,409
HDIL [*]	10	NA	NA	NA	113.9	12,035

^{*} Trailing Twelve Months ended December 31, 2007, Last Reported Fiscal Year ended March 31, 2007

[#] Trailing Twelve Months ended March 31, 2008, Last Reported Fiscal Year ended March 31, 2008

Source: Capital Market Magazine, May 19- Jun 01, 2008 issue

The peer group listed companies, as stated above are engaged in the real estate business.

The Issue Price of Rs. [●] has been determined by us, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, see the section titled "Risk Factors" beginning on page xxvii of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the auditor's report stated on page 162 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Godrej Properties Limited,
Mumbai.

Dear Sirs,

Statement of Possible Tax Benefits Available to the Company and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 (provisions of Finance Act, 2008), Wealth Tax Act, 1957, and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the 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. 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 and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

- (i) Company or its shareholders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits has 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 Kalyaniwalla & Mistry
Chartered Accountants**

**Ermin K. Irani
Partner
Membership No.35646
Dated: May 13, 2008**

STATEMENT OF TAX BENEFITS

(i) SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

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

(ii) GENERAL TAX BENEFITS

The Income Tax Act, 1961 (provisions of Finance Act, 2008), Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependant on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

A. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (“THE ACT”):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

I. Dividends Exempt Under section 10 (34)

Under section 10 (34) of the act, Company will be eligible for exemption of income by way of dividend (Interim or final) on shares held in a domestic Company referred to in section 115-O of the Act.

II. Income from Units of Mutual Fund exempt under section 10 (35)

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

III. Computation of Capital Gains

Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or units of Mutual Fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “Long Term Capital Gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “Short Term Capital Gains”.

Section 48 of the Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

As per the provisions of section 112 (1) (b) of the Act, long term gains as computed above that are not exempt under section 10 (38) of the Act, would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess), at the discretion of assessee. However, as per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after 1st October, 2004, where the transaction of sale is subject to Securities Transaction Tax ("STT") shall be chargeable to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the concessional benefits of taxation on capital gains.

IV. Exemption of capital gain from income tax

- a. Under section 10 (38) of the Act, any long term capital gains arising out of sale of equity shares or units of an equity oriented fund on or after 1st October, 2004, will be exempt from tax provided that the transaction of sale of such shares or units is chargeable to STT. However, such income shall be taken into account in computing the book profits under section 115JB.
- b. According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees.

V. COMPUTATION OF BUSINESS INCOME:

Subject to the fulfillment of conditions prescribed, the company will be eligible, inter-alia, for the following specified deductions in computing its business income:-

- (i) Under Section 35 (1) (i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.
- (ii) Under Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the conduct of scientific research and development, to be used by it for scientific research, shall also qualify for a deduction of one and one fourth times the amount so paid.
- (iii) Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
- (iv) Subject to compliance with certain conditions laid down in section 32 of the Act, the Company will be entitled to deduction for depreciation:
 - In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on

or after 1st day of April, 1998) at the rates prescribed under the Income Tax Rules, 1962;

COMPUTATION OF TAX ON BOOK PROFITS:

- (v) Under section 115JAA (1A) of the Act, tax credit shall be allowed of any tax paid under section 115 JB of the Act (MAT). Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable. The company shall be eligible to set-off the MAT credit, thus carried forward, in the year in which it is required to pay the tax under the regular provisions of the Income-tax Act. The amount which can be set-off is restricted to the difference between the tax payable under the regular provisions of the Act and tax payable under the provisions of section 115JB in that year.

TAX REBATES (TAX CREDITS):

- (vi) As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

(b) Income of a minor exempt up to certain limit

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 exempted from tax to the extent of Rs.1,500/- per minor child.

(c) Computation of capital gains

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

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

As per provisions of section 112 (1) (a) of the Act, long term gains as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section

112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed @ 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess) at the discretion of assessee. However, as per provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of mutual funds on or after 1st October, 2004, where the transaction of sale is chargeable to Securities Transaction Tax ("STT") shall be subject to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the concessional benefits of taxation on capital gains.

Exemption of capital gain from income tax

- Under section 10 (38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax ("STT").
- According to the provisions of sections 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only the part of capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified assets will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees.
- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(d) Deduction in respect of Securities Transaction Tax paid against Business Income

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

C. BENEFITS AVAILABLE TO NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

(b) Income of a minor exempt up to certain limit

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 exempted from tax to the extent of Rs.1,500/- per minor child.

(c) Computation of capital gains

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

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident where the investment in such shares was made in foreign currency. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange. Benefit of indexation of costs is not available in above case.

According to the provisions of section 112 of the Act, long term capital gains as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess).

In case investment is made in Indian Rupees, the long-term capital gains that are not exempt u/s. 10(38) of the Act are to be computed after indexing the cost.

However, as per the proviso to section 112 (1) (c), if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess) at the discretion of assessee. However, as per the provisions of section 111A of the Act, short-term capital gains of equity shares on or after 1st October, 2004, where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the concessional benefits of taxation on capital gains.

(i) Capital gains tax - Options available under the Act

Where shares have been subscribed in convertible foreign exchange

Option of taxation under chapter XII-A of the Act:

Non-resident Indians [as defined in section 115C (e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter-alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- According to the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess) without indexation benefit.
- According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset, if part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.
- Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of section 115C(f) for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

Where the shares have been subscribed in Indian Rupees:

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed time to time.

As per the provisions of section 112(1) (c) of the Act, long term capital gains that are not exempt u/s. 10(38) of the Act as computed above would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to Section 112(1) of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable surcharge, education cess and secondary higher education cess).

(ii) Exemption of capital gain from income tax

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees.

In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

- (d) **Deduction in respect of Securities Transaction Tax paid against Business Income**
Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as “Profits and gains of Business or profession” shall be allowable as a deduction against such Business Income.
- (e) **Provisions of the Act vis-à-vis provisions of the tax treaty**
As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.
- D. BENEFITS AVAILABLE TO OTHER NON-RESIDENT SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):**
 - (a) **Dividends exempt under section 10 (34)**
Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.
 - (b) **Income of a minor exempt up to certain limit**
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 exempted from tax to the extent of Rs.1,500/- per minor child.
 - (c) **Computation of capital gains**
Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of mutual fund specified under section 10 (23D) of the Act or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of assets held for 12 months or less are considered as “short term capital gains”.

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of section 112 of the Act, long term gain as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). In case investment is made in Indian Rupees, the long-term capital gain is to be computed after indexing the cost.

However, as per the proviso to section 112 (1) (c), if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess) at the discretion of assessee. However, as per the provisions of section 111A of the Act, short term capital gains of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the concessional benefits of taxation on capital gains.

(d) Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(e) Deduction in respect of Securities Transaction Tax paid against Business Income

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

(f) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

E. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (‘FII’s’):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

(b) Taxability of capital gains

Under section 10 (38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT. However, such income shall be taken into account in computing the book profits under section 115JB.

The income by way of short term capital gains or long term capital gains [in case not covered under section 10 (38) of the Act] realized by FII's on sale of the shares of the Company would be taxed at the following rates as per section 115AD of the Act.

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge, education cess and secondary higher education cess).
- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge, education cess and secondary higher education cess).
- Long term capital gains @10% (plus applicable surcharge, education cess and secondary higher education cess) (without cost indexation).

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

According to provisions of section 54EC of the Act and subject to the condition specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees.

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the concessional benefits of taxation on capital gains.

Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

F. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of 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 or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

G. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

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

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

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

I. BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Gift of shares of the Company made on or after 1st October, 1998, are not liable to Gift tax.

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Offering have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

In this section information relating to Residential Real Estate Development is derived from “Housing Annual Review” (May 2007) conducted by CRISIL. CRISIL has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published/reproduced in any form without CRISIL’s prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

The Indian Economy

In recent years, India has experienced rapid economic growth. India’s GDP grew at 7.5%, 8.1%, 8.4% and 9.2% in the fiscal years ending March 31st 2004, 2005, 2006 and 2007, respectively. The largest component of the GDP is the services sector which comprises 60%. *Source: Economic Survey, Government of India.* An important factor in the growth of the services sector has been the strong growth of the IT and ITES sectors. These sectors benefited from the growing international trend towards off-shoring and the resultant demand for skilled, low cost, English speaking workers. Indian competitiveness in this area has been aided by substantial investment in telecommunications, infrastructure and the phased liberalisation of the communications sector. A substantial amount of this investment has come from FDIs and FIIs.

The Real Estate Sector in India

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

1. the support of GoI for the repeal of the Urban Land (Ceiling and Regulation) Act (“ULCRA”), with all state governments having already repealed ULCRA except Andhra Pradesh, West Bengal and Jharkhand;
2. modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
3. rationalisation of property taxes in a numbers of states; and
4. the proposed computerisation of land records.

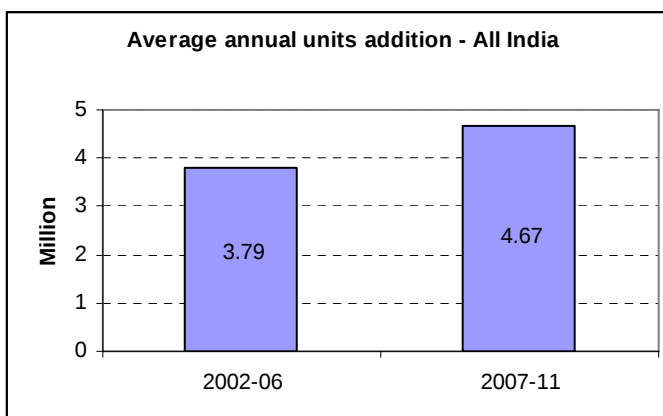
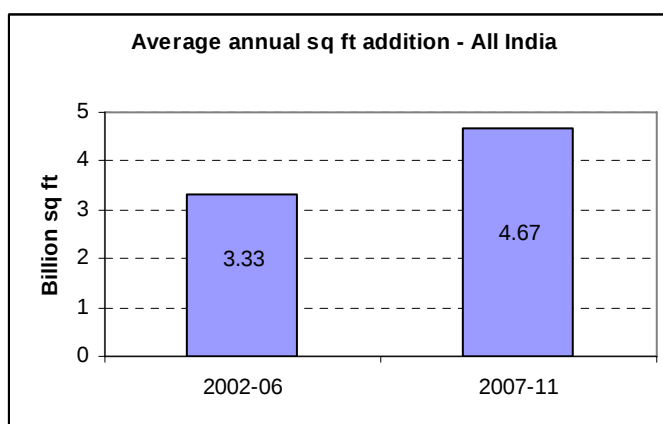
The trend towards greater organisation and transparency has contributed to the development of reliable indicators of value and organised investment in the real estate sector by domestic and international financial institutions and has also resulted in the greater availability of financing for real estate developments. Regulatory changes permitting foreign investment are expected to further increase investment in the Indian real estate sector. The nature of demand is also changing, with heightened consumer expectations that are influenced by higher disposable incomes, easy availability of credit, increased globalisation and the introduction of new real estate products and services.

These trends have been reinforced by the substantial recent growth in the Indian economy, which has stimulated demand for land and developed real estate across our business lines. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for improved infrastructure. In addition, tax and other benefits applicable to special economic zones are expected to result in a new source of demand.

Residential Real Estate Development

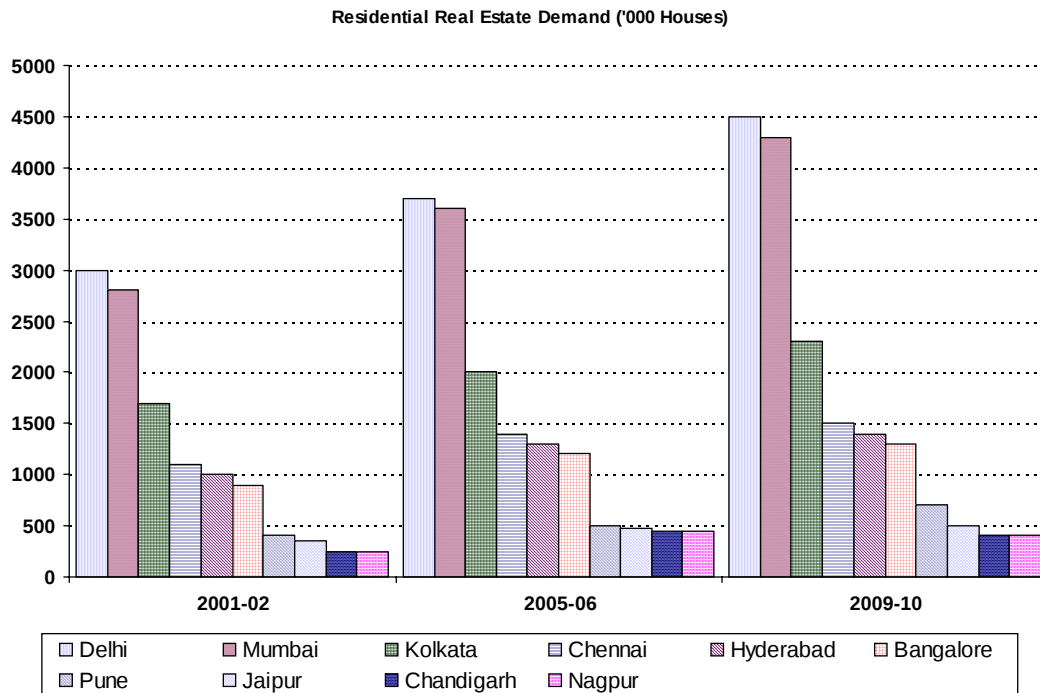
According to CRISIL Research's "Housing Annual Review" (May 2007), the growth in the residential real estate market in India has been largely driven by rising population growth, urbanisation, nuclearisation, affordability, income growth, penetration of housing finance and tax incentives.

CRISIL Research's "Housing Annual Review" (May 2007) estimates the total stock of housing by fiscal 2007 at 129.40 million units. This is expected to grow at a CAGR of 3.37% till fiscal 2012, adding, on an average, 4.60 million units annually till fiscal 2011.



CRISIL Research's "Housing Annual Review" (May 2007) estimates that annual additions in urban areas are expected to grow at 9.0% from 1.96 billion square feet in 2002-06 to around 3 billion square feet in 2007-11, primarily reflecting increased urbanisation. Further, corresponding annual additions in units are expected to grow at 6.0% to reach 3.09 million units in 2007-11 from 2.31 million units in 2002-06. Estimated annual additions in rural areas have grown at 4.0% from 1.36 billion square feet in 2002-06 to 1.66 billion square feet. Corresponding annual additions in units in rural areas are estimated to grow at 1.0% to 1.59 million in 2007-11 from 1.48 million in 2002-06.

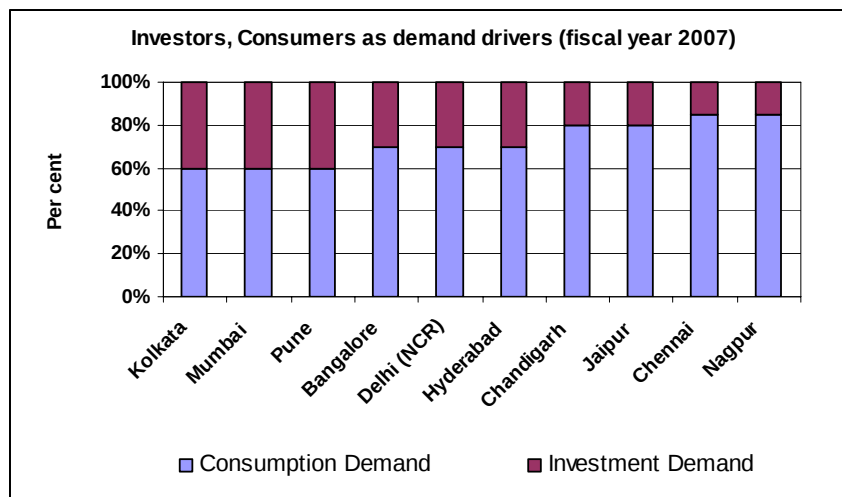
The following chart illustrates the demand for houses across ten major cities in India:



Source: CRISIL CityView-A Real Estate Perspective (February 2007)

According to CRISIL CityView-A Real Estate Perspective, housing is emerging as a sought-after investment option amongst Indian investors. Investment demand is high in cities such as Pune, Mumbai and Kolkata.

Share of investment demand high in Mumbai, Kolkata and Pune

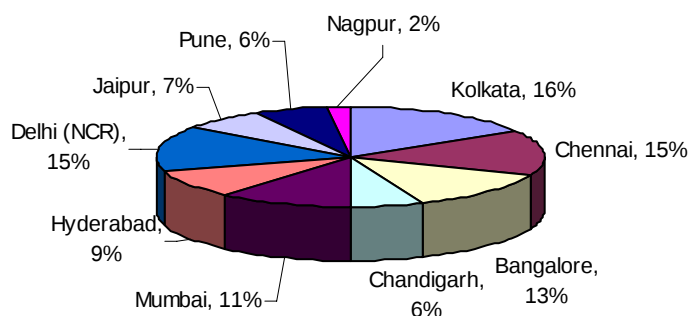


- Residential real estate has emerged as a preferred investment option
- This has contributed to demand for residential real estate
- Investors have concentrated on top cities, leaving cities like Jaipur and Nagpur – Chennai seems to be the lone exception

The following chart sets out the estimated share of various cities in residential real estate supply for fiscal years 2007 and 2008:

Residential: Over 254 million square feet supply in the pipeline: highest in Kolkata

Supply Contribution - Residential Real Estate



Source: CRISIL CityView-A Real Estate Perspective (February 2007)

As can be seen from the table given below, most of the growth in residential construction in the next two years is expected to be in the outskirts of the cities surveyed. *Source: CRISIL CityView-A Real Estate Perspective (February 2007).*

Development concentrated in outer periphery

- In most cities, growth areas are on the outskirts.
- Typically, airports and their periphery have emerged as the nerve centers of development

10 cities: Residential construction – Growth areas

City	Growth areas
Bangalore	Sarjapur Road/Outer Ring Road (South East), Whitefield, Hosur Road, Devanahalli
Chandigarh	Mohali, Panchkula, Zirakpur
Chennai	Across the city, Tambaram, Pallavaram, Sriperumbadur
Delhi (NCR)	Gurgaon, Ghaziabad, Noida, Faridabad
Hyderabad	Madhapur, Gachibowli, Kukatpally, Samshabad, Banjara/Jubilee Hills
Jaipur	Southern and western Jaipur areas such as Ajmer Road, Vaishali Nagar, Jagatpura and Sangner
Kolkata	Batanagar, Howrah, Prince Anwar Shah Road, Rajarhat
Mumbai	Across the city
Nagpur	Within the city and on the right road
Pune	Outskirts

Source: CRISIL Research

Note: Estimated supply is for fiscal years 2007 and 2008

According to CRISIL Research's "Housing Annual Review" (May 2007), the residential sector is expected to continue to demonstrate robust growth from fiscal 2007 to fiscal 2012, assisted by the rising penetration of housing finance and favorable tax incentives. According to CRISIL Research's "Construction Annual Review" (May 2007), housing investments (permanent non-slum houses) are expected to grow at an implicit trend annual growth rate of 12.0% from fiscal 2007 to fiscal 2012. Housing investments are expected to increase from Rs. 9.80 trillion from 2001-02 to 2005-06 to Rs. 17.30 trillion from 2006-07 to 2010-11, driven by urban housing investments, which are expected to grow at a CAGR of 13.70%.

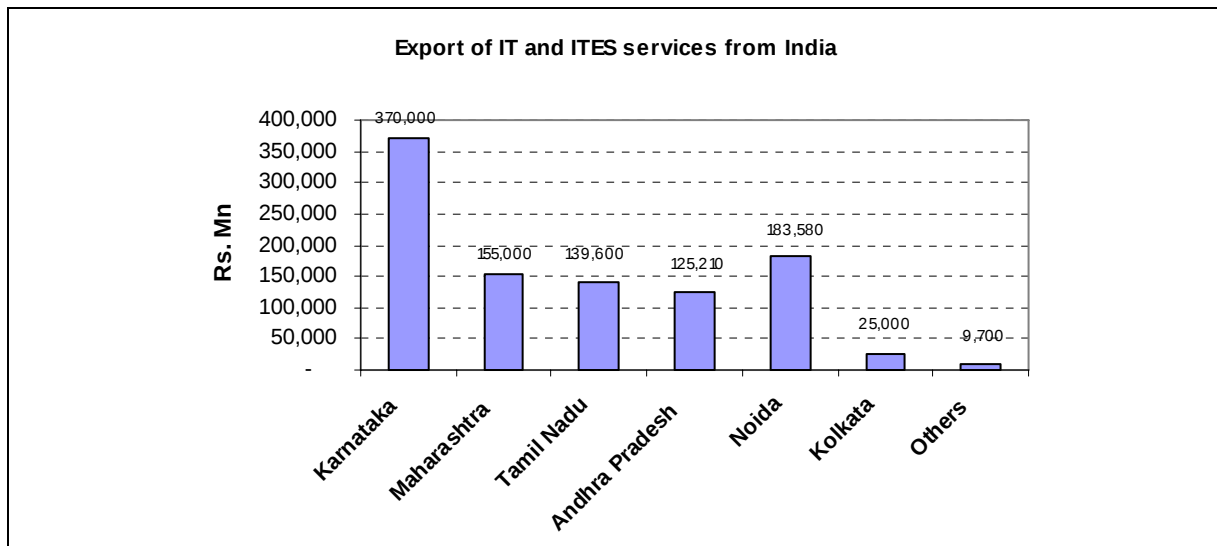
Trend towards high-rise residences in urban areas

A large proportion of the demand for residential developments, especially in urban centres such as Mumbai, Bangalore, Delhi (Gurgaon and Noida) and Pune, is likely to be for high-rise residential buildings. Since this is a fairly new segment, the growth of the high-rise segment is expected to be faster than the growth of more traditional urban housing segments. The reasons for the anticipated demand are the lack of space in cities such as Mumbai and proximity to offices and IT parks in places such as Gurgaon, Bangalore and Pune. The high-rise culture is gradually seeping into other cities such as Kolkata, Hyderabad and Chennai due to increasing affordability, nearness to IT or BPO parks and the township concept being embraced within close proximity to such IT and BPO parks.

Commercial Real Estate Development

The recent growth of the commercial real estate sector in India has been fuelled, in large part, by the increased revenues of companies in the services business, particularly in the IT and ITES sectors. The IT and ITES demand is about 75% to 80% of the total office space demand in India. Industry sources expect the IT and ITES sectors to continue to grow and generate additional employment. According to Knight Frank, the IT and ITES sector would require fully developed space amounting to 60 to 80 million square feet from fiscal 2006 to fiscal 2009. *Source: Office Market Review - Quarter 2, 2006, Knight Frank.*

The following chart shows that Karnataka, Maharashtra, Noida (UP) Tamil Nadu and Andhra Pradesh are the biggest exporters of IT and ITES services from India.



Source: <http://www.apit.gov.in/insoft.html>

The following table shows the city-specific locations where demand for office space, driven by the IT and ITES sectors, is expected:

City	Drivers	Concentration
Bangalore	IT/ITES	Old Madras Road, Sarjapur- Marathahalli Ring Road, Whitefield, Sarjapur Road, Electronic City and Bannerghatta Road
Chandigarh	IT/ITES	Rajiv Gandhi Technology park
Chennai	IT/ITES	Old Mahabalipuram Road
Delhi (NCR)	IT/ITES, Corporate offices	Gurgaon, Noida
Hyderabad	IT/ITES	Madhapur, Gachibowli, Samshabad
Jaipur	Jaipur SEZ	Ajmer Road

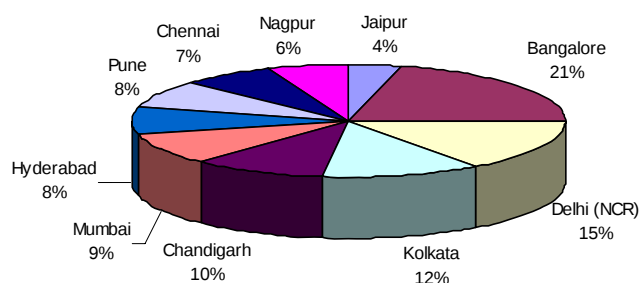
City	Drivers	Concentration
Kolkata	IT/ITES, Regional offices of large companies	Rajarhat, Salt Lake (Sector V) and the Eastern Metropolitan Bypass stretch
Mumbai	IT/ITES, Financial services	Bandra-kurla complex, Andheri, Navi Mumbai
Nagpur	Cement, Coalfield and upcoming IT park	Western Nagpur
Pune	IT/ITES	Hinjewadi, Magarpatta City

Source: CRISIL Research

The following chart sets out the estimated share of various cities in commercial real estate supply for fiscal years 2007 and 2008.

Office Space: Supply of over 100 million square feet

Supply Contribution - Commercial Real Estate (Office Space)



Source: CRISIL CityView-A Real Estate Perspective (February 2007)

Within the IT and ITES sectors, the volume of operations outsourced to India by multinational companies is expected to increase demand for commercial space. Many of these companies have set up world class business centers to house their growing work force.

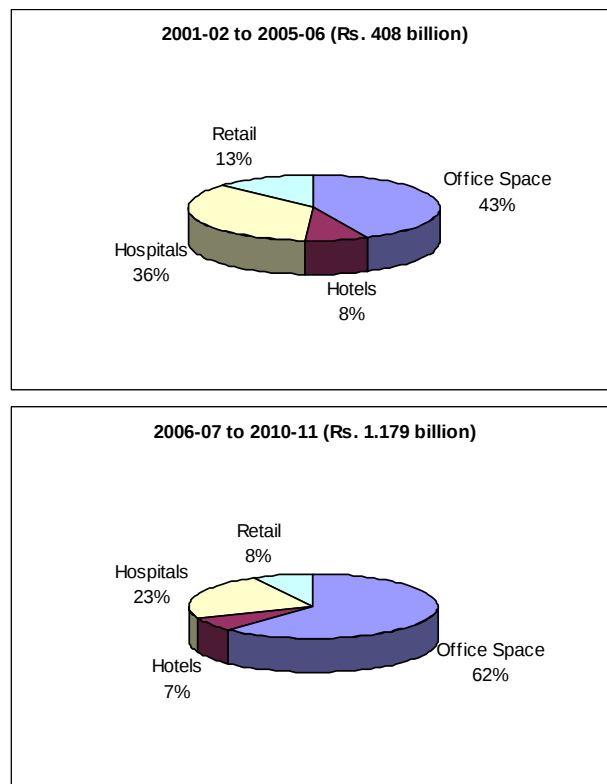
The following table sets out the top five states in India in terms of IT and ITES exports over 2002-03 to 2005-06 (Rs. in billions):

State	2002-2003	2003-2004	2004-2005	2005-2006
Karnataka	123.50 (24%)	181.00 (46%)	276.00 (52%)	370.00 (34%)
Maharashtra	54.20 (20%)	78.45 (44%)	115.00 (46%)	155.00 (35%)
Tamil Nadu	63.15 (35%)	74.00 (17%)	107.30 (41%)	139.60 (29%)
Andhra Pradesh	36.68 (26%)	50.25 (37%)	82.70 (64%)	125.21 (51%)
Noida (Uttar Pradesh)	74.50 (22%)	99.00 (32%)	129.00 (30%)	183.58 (40%)

Source: <http://www.apit.gov.in/insoft.html>

According to CRISIL Research “Construction Annual Review” (May 2007), between fiscal 2007 and fiscal 2012, investment in commercial construction is expected to increase threefold from Rs. 408 billion to approximately Rs. 1.18 trillion. Investments in the commercial segment are likely to be driven by office space projects, which are expected to go up from Rs. 737 billion between fiscal 2007 and fiscal 2012 as against Rs. 174 billion worth of investments made between fiscal 2002 and fiscal 2007. Within office space construction, 70.0% to 75.0% of the demand comes from IT/BPO/call centers. Other key demand drivers include banking and financial services, fast-moving consumer goods and telecom. This dependency on IT and ITES is expected to continue due to India’s emergence as a preferred outsourcing destination, despite the emergence of China and Russia as strong contenders. Hospitals are expected to generate total construction demand worth Rs. 267 billion between fiscal 2007 and fiscal 2012.

The following charts show the percentage of commercial construction investments in the different sectors for the periods indicated:



Source: CRISIL Research “Construction Annual Review” (May 2007)

Special Economic Zones

SEZs are specifically delineated duty free enclaves deemed to be foreign territories for the purposes of Indian custom controls, duties and tariffs. There are three main types of SEZs: integrated SEZs, which may consist of a number of industries; services SEZs, which may operate across a range of defined services; and sector specific SEZs, which focus on one particular industry line. SEZs, by virtue of their size, are expected to be a significant new source of real estate demand. According to the Ministry of Commerce and Industry, 61 SEZs are currently approved and under establishment. As of November 30, 2007, there were nineteen functional SEZs operating in India comprising 1,277 units, employing approximately 100,000 people. The projected exports from all SEZs for the fiscal year 2008 is Rs. 67,088 crores. Source: www.sezindia.nic.in.

Competitive positioning of growth centres in India

Based on the current and expected growth potential, various locations in the country can be classified as (i) mature destinations; (ii) destinations in transition; (iii) emerging destinations; and (iv) tier III cities. The cities that fall under each of these classifications are discussed as under:

Mature Destinations: Locations like Mumbai and Delhi with their metropolitan character have been traditional business destinations and have a favorable track record in attracting investments. However, factors such as increasing operating costs, real estate supply constraints and socio-political risks are the potential impediments in sustaining a high rate of growth. Commercial real estate growth in these locations is expected to be range-bound and focused mostly around the suburbs and peripheral locations in the coming years.

Destinations in Transition: Locations falling under this category are those that offer a large captive human resource potential, availability of quality real estate and operating cost advantages. These are the locations that are best positioned to attract investment in the coming years. Accordingly, the locations of Bangalore and Gurgaon, fall under this category. However, infrastructure bottlenecks form the main hurdles in their growth path.

Emerging Destinations: Pune, Chennai, Hyderabad and Kolkata constitute the ‘emerging destinations’ group. Cost advantages, well-developed infrastructure, limited real estate supply constraints and city governance are their key offerings. Though the number of large occupiers in these locations is yet to reach optimum, these locations feature predominantly on the investment map. Growth of these locations is predominantly led by expansion and consolidation plans of companies in the IT and ITES sectors.

Tier III Cities: The locations that would fall under this category include Jaipur, Coimbatore, Ahmedabad, and Lucknow. With the availability of the requisite talent pool coupled with low cost real estate, there is a growing interest in these Tier III cities from the technology sector players, who seek to expand their operations into these previously untapped locations. Over the next three to five years, these markets are likely to see significant real estate growth.

Challenges Facing the Indian Real Estate Sector

Lack of national reach of existing real estate development companies

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

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

Majority of the market in the unorganized segment

The Indian real estate sector is highly fragmented with many small builders and contractors, who account for a majority of the housing units constructed. As a result, there is a less transparency in dealings or sharing of data between players.

Demand dependent on many factors

Real estate developers face challenges in generating adequate demand for many projects. The factors that influence a customer's choice in property are not restricted to quality alone, but also depend on a number of external factors, including proximity to urban areas, and facilities and infrastructure such as schools, roads and water supply, each of which is often beyond the developer's control. Demand for housing units is also influenced by policy decisions relating to housing incentives.

Increasing raw material prices

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

Interest rates

One of the main drivers of the growth in demand for housing is the availability of finance at low rates of interest.

Tax incentives

The existing tax incentives available for housing loans are one of the major factors influencing demand.

Recent Reforms in the Indian Real Estate Sector

Foreign direct investment in real estate

In fiscal 2005, the government modified the FDI rules applicable to the real estate sector by permitting 100% FDI with respect to certain real estate projects such as townships, housing, built-up infrastructure and construction development projects, subject to a number of guidelines. The new FDI rules mainly relate to the minimum area required to be developed by such a project, minimum amounts to be invested and time limits within which such a project must be completed.

Housing regulations

The Indian Government enacted ULCRA in 1976 to prevent speculation and profiteering in land and to ensure equitable distribution of land in urban areas in order to serve the common good. Pursuant to ULCRA, urban cities were classified into A, B and C categories. The act imposed a ceiling on the amount of vacant land that any individual can possess in a particular urban area, based on the classification of the city in question. In 'A' class cities, such as Delhi and Mumbai, this amounts to no more than 500 square meters. The excess land identified was acquired by the government after compensating the owners thereof and used to provide housing to various sections of the public. However, it is widely acknowledged that ULCRA has failed to have achieve its objective and has resulted in inflated prices and exacerbated housing shortages. The Government therefore suggested the repeal of ULCRA by way of the Urban Land (Ceiling and Regulation) Repeal Act 1999 ("Repeal Act"), which has so far been adopted by the state governments of Haryana, Punjab, Uttar Pradesh, Gujarat, Karnataka, Madhya Pradesh, Rajasthan and Orissa, but has not been repealed in a number of states. Maharashtra has recently repealed ULCRA and the implications of the repeal are as follows:

- More land will now be free for development;
- Around 25,000 acres of land has been freed. However, only 4% of this will be in developable zones;
- Players with the biggest land holdings previously locked by ULCRA within Mumbai include Godrej, the Wadia Trust, the Indian Railways, Hiranandani, Dinshaws and Behramjis;

- Landowners will now be able to sell or develop their properties without having to go through the government rigmarole. They will also not have to hand over excess land to the government;
- Large tracts of land in Mumbai's outskirts and Navi Mumbai will now be available for development; and
- Immediate benefit for buyers from is that they will no longer have to buy houses in different names in projects constructed on ULCRA lands. Earlier, on projects covered under ULCRA, there was restrictions on the size of flats that could be constructed. One person was not allowed to buy multiple flats. Hence, those who wanted to buy larger houses in certain projects had to buy them under different names. *Source: Housing, Crisil Research December 2007.*

OUR BUSINESS

Overview

We are one of the leading real estate development companies in India and are based in Mumbai, Maharashtra. We currently have real estate development projects in 11 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company undertaking our projects through our in-house team of professionals and by partnering with companies with domestic and international operations.

Our parent company, Godrej Industries Limited, currently holds 81.41% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments.

We entered into our first project in 1991. We initially concentrated our operations in the Mumbai Metropolitan region and later expanded to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi and Greater Noida.

“Developable Area” refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as “super built-up” area. “Saleable Area” refers to the part of the Developable Area relating to our economic interest in such property. As of May 15, 2008, we have completed a total of 19 projects comprising 13 residential and six commercial projects, aggregating approximately 3.62 million sq. ft. of Developable Area.

Our Land Reserves may be broadly classified into land to be developed by us as “ongoing projects”, which are projects for which approval to begin construction has been granted by the relevant authority (“Ongoing Projects”), and “forthcoming projects”, which are projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-agricultural/commercial/residential use has been submitted to the relevant authority; and (iii) internal project development plans are complete (“Forthcoming Projects”).

Our total Land Reserves currently stands at 404 acres, aggregating to approximately 78.87 million sq. ft. of Developable Area and 54.98 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 54.1 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of May 15, 2008:

Location	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	1.38	0.55	8
Pune	0.55	0.16	4
Bangalore	2.87	2.18	26
Kolkata	6.76	4.71	31

Location	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Hyderabad	9.60	9.60	34
Mangalore	0.78	0.57	5
Ahmedabad	40.42	27.32	223
Chandigarh	0.46	0.19	2
Kochi	2.83	1.98	15
Chennai	1.90	1.42	14
Greater Noida	11.32	6.30	42
TOTAL	78.87	54.98	404

* Area refers to the share of the Company only.

In addition, we have entered into memoranda of understanding with certain members of the Godrej group of companies for developing land owned by them in various regions across the country. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. The details of these memoranda of understanding are as follows:

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bangalore	100
Godrej Industries Limited	Mumbai	35
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		220

For further details of the memoranda of understanding, please refer to the section titled “Memoranda of Understanding with the Godrej Group Companies”, on page 81 of this Draft Red Herring Prospectus.

Our consolidated total income was Rs. 2,275.09 million for the fiscal year 2008 and Rs. 1,372.62 million for the fiscal year 2007, as compared to Rs. 704.58 million for the fiscal year 2006. Our consolidated profit after tax and minority interest was Rs. 760.28 million for the fiscal year 2008 and Rs. 288.23 million for the fiscal year 2007, as compared to Rs. 121.33 million for the fiscal year 2006.

Our Strengths

We believe that the following are our principal strengths:

Established brand name

We are a part of the Godrej group of companies, which is one of the leading conglomerates in India. We believe the “Godrej” brand is instantly recognisable amongst the populace in India due to its long presence in the Indian market, the diversified businesses in which the Godrej group operates and the trust we believe it has developed over 111 years of operations. The Godrej group was awarded the “Corporate Citizen of the Year” award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine’s ‘Mood of the Nation @ 60’ survey published on August 19, 2007.

We believe we have carried forward this brand name and reputation for quality to the real estate market in our locations of operation. Transparency and efficiency in operations have helped us in developing long-term relationships with our customers as well as investors in the real estate market, business partners, contractors and suppliers. We were also featured among the top ten construction companies in India for the years 2006 and 2007 according to a study conducted by “Construction World”.

Land Reserves in strategic locations

As of May 15, 2008, we have Land Reserves comprising 404 acres aggregating approximately 78.87 million sq.

ft. of Developable Area and 54.98 million sq. ft. of Saleable Area, located in or near prominent and growing cities across India, such as Mumbai, Pune and Ahmedabad. These include land parcels which we own directly, and land parcels over which we have development rights through agreements or memoranda of understanding.

Business development model

Along with selective acquisition of land parcels in strategic locations, we enter into development agreements with land owners to acquire development rights to their land in exchange for a pre-determined portion of revenues, profits or developable area generated from the projects. We believe that the Godrej brand name and the reputation associated with it contribute in attracting potential joint development partners as well as our existing partners. This business model enables us to undertake more projects without having to invest large amounts of money towards purchasing land. We are thereby able to limit our risk through project diversification while maintaining significant management control over our projects.

Execution methodology

We focus on the overall management of our projects, including land acquisition, project conceptualisation and marketing. We work with service providers which enable us to access third party design, project management and construction expertise.

We use critical chain project management or “CCPM” methodology to manage our projects. In the real estate industry, where uncertainties, delays and budget overruns are frequent, we believe that CCPM builds reliability in the timely completion of our projects. To facilitate CCPM, we use “Concerto”, a CCPM specialised software, to ensure the effective control and monitoring of our projects by our core management team. Concerto software allows multi-site communications and provides critical chain scheduling features, reporting formats and portfolio management features. It aids in reducing losses of time and capacity, dealing with uncertainties and ensuring our commitments are met.

We also associate with other third party architects, project management consultants, contractors and international property consultants. We are also in the process of implementing SAP®, an enterprise resource planning software. This execution methodology enables us to access resources and techniques available in the market and to rapidly scale up our operations.

Emphasis on innovation

We consider innovation to be a key success factor in the property development business. We believe we were one of the early developers in India to extensively implement the joint development model with land owners for real estate development and that we were one of the first companies to implement Stern Stewart’s Economic Value Added concept of measuring financial performance in the real estate business in India. We also undertake regular satisfaction surveys to measure the satisfaction level of our customers as well as joint venture partners. We are one of the few property development companies in India to provide its customers with an online interactive portal allowing customers to access critical information regarding their property including accounts and progress of project development. In addition, we are a founding member of the Indian Green Building Council, which is actively involved in promoting the green building concept in India with a vision to serve as a single point solutions provider and facilitator for green building activities in India.

Qualified and skilled employee base and human resource practices

We believe that a motivated and empowered employee base is the key to our competitive advantage. Our Board includes a combination of executive as well as independent members who bring us significant business experience. Our key managerial personnel are qualified professionals many of who have spent a number of years in various functions of real estate development. Our employee value proposition is based on a strong focus on employee development, an exciting work culture, empowerment and competitive compensation. The Godrej Organization for Learning and Development, e-MBA, “Young Executive Board” and “Think Tank” are our key internal human resource initiatives for the development of talent. Various processes such as performance improvement, talent management and competency management are supported online by a

Peoplesoft® Human Resource Management System customised for us. We believe that the skills and diversity of our employees gives us the flexibility to adapt to the future needs of our business.

Our Business Strategies

The following are the key elements of our business strategy:

Enhance and leverage the Godrej brand and the group resources

One of our key strengths is our affiliation and relationship with the Godrej group and the strong brand equity generated from the “Godrej” brand name. We believe that our customers and consumers perceive the Godrej brand to be that of a quality provider of products and services. We believe that the strength of the Godrej brand and its association with quality and reliability help us in many aspects of our business, including land sourcing, expanding into new cities, entering into business associations, and providing relationships with our service providers, investors, lenders and customers. In addition, our association with the Godrej group helps us leverage group resources and initiatives across functions, such as human resources and marketing. For example, we are actively involved in a group-wide branding initiative currently being conducted by Interbrand, a London-based brand consultant, in which our Company has been identified, along with personal grooming, furniture and aerospace divisions, as one of the “hero” businesses of the group. We intend to leverage the brand equity that we enjoy as a result of our relationship with the Godrej group of companies to expand our business.

Expansion across India

We currently have a presence in 11 cities across India. We intend to expand our operations in these cities, as well as into other cities in India, which we believe have the potential for growth. The economic growth in these cities will result in higher disposable incomes in the middle and higher income groups, which, in turn, will result in increased demand for residential housing, as well as high quality retail and commercial space. We recognise that continuing to build on our land reserves in our existing markets is critical to our growth strategy. Additionally, we have either acquired or are in the process of acquiring development rights in various cities such as Mangalore, Chennai, Ahmedabad, Chandigarh, Kochi and Greater Noida, for residential, commercial and integrated township projects. We also, from time to time explore new development opportunities. For example, we have submitted expressions of interest, as a part of a consortium, for the redevelopment of certain land in the Mumbai Metropolitan region. We cannot assure you that we will procure this bid on terms acceptable to us or at all.

Selective outsourcing

We intend to increase the scale of our operations while ensuring quality and efficiency in our operations. Selective outsourcing enables us to undertake more developments and source best-in-class service providers, while optimally utilising our resources. We intend to continue to outsource activities such as design, architecture and construction. We also consider turn-key contracts for project execution and partnering with international property consultants to market our IT parks. We intend to enhance and leverage our existing relationships with leading real estate service providers.

Focus on our execution

We have expanded the scope and scale of our operations. We recognise the importance of delivering quality projects on a timely basis and within the estimated budget. We have implemented several initiatives and processes to enhance our execution capabilities including by engaging Goldratt Consulting in implementing their “Theory of Constraints” along with CCPM. See “– Our Strengths – Execution methodology” above for details on CCPM.

We have also entered into a memorandum of understanding with Larsen & Toubro Limited for its appointment as a contractor for the development of some of our future projects and we will continue to work with other leading third party service providers for activities related to design, project management, cost and quality control and contracting.

Our Land Reserves

Our Land Reserves are lands to which our Company has title, or lands from which our Company can derive economic benefits through a documented framework or lands in relation to which our Company has executed a development agreement or MOU to enter into a joint development agreement or an agreement to sell.

As of May 15, 2008, our Land Reserves aggregate approximately 404 acres for which we have made certain advance payments aggregating approximately Rs. 2,465 million and are further required to make an additional payment of approximately Rs. 3,905 million.

Our Land Reserves are located in and around Mumbai, Pune, Bangalore, Kolkata, Hyderabad, Mangalore, Ahmedabad, Chandigarh, Kochi, Chennai and Greater Noida. The following is a summary of our Land Reserves as of May 15, 2008:

S.No	Land Reserves (Category wise)	Acreage (in acres) *	% of total acreage	Estimated Developable Area (sq.ft. million)	% of Developable Area	Estimated Saleable Area (sq. ft. million)	% of Saleable Area
(i)	Land Owned by the Company						
	1. By itself	-	-	-	-	-	-
	2. Through its Subsidiaries	26.71	6.61	3.12	3.95	3.12	5.67
	3. Through entities other than (1) and (2) above	-	-	-	-	-	-
(ii)	Land over which the Company has sole development rights						
	1. Directly by the Company	-	-	-	-	-	-
	2. Through its Subsidiaries	34.00	8.41	9.60	12.17	9.60	17.46
	3. Through entities other than (1) and (2) above	-	-	-	-	-	-
(iii)	Memorandum of Understanding/ Agreements to acquire/ letters of acceptance and/ or its group companies are parties, of which:						
	1. Land subject to government allocation	-	-	-	-	-	-
	2. Land subject to private acquisition	-	-	-	-	-	-
(A)	Sub-total (i)+(ii)+(iii):	60.71	15.02	12.72	16.12	12.72	23.13
	Joint developments with partners						
(iv)	Land for which joint development agreements have been entered into by:						
	1. By the Company directly	335.35	82.97	61.96	78.56	40.51	73.68
	2. Through the Subsidiaries	8.13	2.01	4.19	5.32	1.75	3.19
	3. Through entities other than (1) and (2) above See page 69.	-	-	-	-	-	-
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	-	-	-	-	-	-

S.No	Land Reserves (Category wise)	Acreage (in acres) *	% of total acreage	Estimated Developable Area (sq.ft. million)	% of Developable Area	Estimated Saleable Area (sq. ft. million)	% of Saleable Area
(B)	Sub-total (iv)+(v):	343.48	84.98	66.15	83.88	42.27	76.87
(C)	Total (i)+(ii)+(iii)+(iv)+(v):	404.19	100.00	78.87	100.00	54.98	100.00

* The figures represent the Company's proportionate interest in the lands

(i) Land owned by the Company

(i).1 By Itself:

Our Company does not own any land by itself.

(i).2 Through its Subsidiaries:

Our Company owns 26.71 acres constituting 6.61% of the total Land Reserves our wholly owned subsidiary, Happy Highrises Limited. Of the said lands we expect to develop approximately 3.12 million sq. ft. constituting approximately 3.95% of the total Developable Area. By virtue of the beneficial interest held by us in this subsidiary, we have complete rights over the development of this land and the benefits accruing therefrom.

S. No.	City	Subsidiary holding the lands	Amount paid as on May 15, 2008 (In Rupees Million)	Amount payable as on May 15, 2008 (In Rupees Million)	Economic ownership of our Company (Percentage)	Area (In acres)
1.	Kolkata	Happy Highrises Limited*	610.00	Nil	100%	26.71

*For details refer to page 100 in the section titled "History and Corporate Structure - Share Purchase Agreement in respect of Happy Highrises Limited" of this Draft Red Herring Prospectus

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

Our Company does not hold land through entities other than (i).1 and (i).2 above.

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

(ii).1 Directly by the Company:

Our Company does not hold sole development rights over any land by itself.

(ii).2 Through its Subsidiaries:

We hold sole development rights through our subsidiary, Godrej Real Estate Private Limited, aggregating to approximately 34 acres of land located in and around Hyderabad, constituting 8.41% of the total Land Reserves. Of the said land we plan to develop approximately 9.60 million sq. ft. constituting 12.17% of the total Developable Area.

As of May 15, 2008, we have paid a sum of Rs. 570.00 million towards the development rights to this land.

The following land forms part of this category:

S.No	Development Rights arising pursuant to	Location	Amount paid as of May 15, 2008 (In Rupees million)	Amount payable (In Rupees)	Area (In acres)
1.	Development Agreement dated November 1, 2007	Patancheru Village and Mandal, Sanga Reddy Taluk, Medak District, Hyderabad	570.00	Nil	34

Development Agreement with Rallis India Limited

Our Subsidiary, Godrej Real Estate Private Limited, has entered into a development agreement dated November 1, 2007 with Rallis India Limited where our Company is also a confirming party, for development of land admeasuring 34 acres as an IT Park located at Patancheru Village and Mandal, Sanga Reddy Taluk, Medak District, Hyderabad. Our Company has paid Rallis India Limited a sum of Rs. 570 million as one time lumpsum consideration. As per the terms of the agreement, Rallis India Limited shall not be entitled to any share in the revenue/profits of the said property in future and only Godrej Real Estate Private Limited shall be entitled to the entire revenue/profits earned from the sale or transfer of any part or portion of constructed property to the proposed purchasers or third parties. Further, Rallis India Limited shall not interfere with the construction activity/work, which shall be solely supervised and handled by Godrej Real Estate Private Limited.

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

Our Company does not hold any development rights through any entity other than (ii).1 and (ii).2 above.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate agreement value of lands under each category. The material agreements in this category i.e., 'Lands over which the Company has the sole development rights' are as follows:

S.No.	Location of Land	Date of Agreement	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of May 15, 2008 (In Rupees million)
1.	Patancheru Village and Mandal, Sanga Reddy Taluk, Medak District, Hyderabad	November 1, 2007	Godrej Real Estate Private Limited, Rallis India Limited and our Company	570.00	570.00

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

(iii).1 Land subject to government allocation:

None of our lands are subject to government allocation.

(iii).2 Land subject to private acquisition:

None of our lands are subject to private allocation.

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

(iv).1 By the Company directly:

The Company has entered into joint development agreements/MoUs directly with land owners who grant us permission to develop and sell our portion of the developed plot in one or several parts. The terms of these joint development agreements/MoUs do not convey any title in the land with respect to which the joint development agreement/MoUs is being executed. Under these joint development agreements/MoUs we are required to pay a refundable/non refundable deposit to the owner of the land. Approximately 335.35 acres, located in and around Mumbai, Bangalore, Mangalore, Chandigarh, Kochi, Ahmedabad, Chennai, Greater Noida, constituting 82.97% of the total Land Reserves, are held under this category. Of the said lands we plan to develop approximately 61.90 million sq.ft. See Risk Factor titled “We are required to make certain payments when we enter into joint development agreements which may not be recoverable” on page xxxv.

The details of the joint development agreements, the name of the land owner, the percentage accruing to us under these agreements and the amounts paid and payable under these agreements, are specified in the table below.

S.No	City	Location	Date of the Agreement/ MoU	Parties	Amount paid as of May 15, 2008 (In Rupees million)	Amount payable (In Rupees million) ¹	Economic ownership of our Company (Percentage)	Area (In acres)*
1.	Mumbai	Village Barave, Kalyan, District Thane	August 22, 2000	Mr. Shirish Madhukar Dalvi and our Company	Nil	Nil	75	1.20
2.	Mumbai	Village Barave, Kalyan, District Thane	May 5, 2004	Mr. Shirish Madhukar Dalvi and our Company	2.50	Nil	40	1.28
3.	Mumbai	Village Barave, Kalyan, District Thane	February 25, 2000	Mr. Shirish Madhukar Dalvi and our Company	Nil	Nil	60	1.11
4.	Mumbai	Village Chitalsar, Manpade Taluka, District Thane	May 3, 1999	Mr. Deepak Verma, Mr. Dharendra Verma, Mrs. Kaushalya Devi Verma, Ms. Veerbala Reddy and our Company	Nil	Nil	43	2.62
5.	Mumbai	Keshavrao Khadye Marg, Byculla,	September 24, 2004	Simplex Mills Company Limited and our Company	20.00	Nil	30	1.65
6.	Mumbai	Chunabhat ty, Kurla	June 17, 1999	M/s. Silver Developers and our Company	Nil	Nil	25	0.32
7.	Bangalore	Hebbal Village, Kasaba Hobli,	January 22, 2004	Amco Batteries Limited and our Company	Nil	Nil	79	12.48
8.	Bangalore	Chikkabid arakallu Village, Dasanapur a Hobli	April 20, 2007	1. Mr. Feroz Khan, 2. Mr. Fardeen Khan and 3. Our Company	137.50	Nil	50	6.49
9.	Bangalore	Nagarur	December 18,	Esskay	200.00	Nil	78	7.16

S.No	City	Location	Date of the Agreement/ MoU	Parties	Amount paid as of May 15, 2008 (In Rupees million)	Amount payable (In Rupees million) ¹	Economic ownership of our Company (Percentage)	Area (In acres) [*]
		Village, Dasanapura Hobli	2007	Properties and Investments Limited and our Company				
10.	Mangalore	Dakshina Kannada District, Padavu Village	November 15, 2007	Mr. B. M. Farookh and our Company	175.00 ²	Nil	73.5	4.53
11.	Chandigarh	Industrial Plot No. 70, Industrial Area, Phase-I, Chandigarh	February 4, 2008	M/s Zara Infrastructure Private Limited, other land owners and our Company	175.00	75.00	41.75	1.69
12.	Kochi	Trikkakara North Village, Kanayannur, Ernakulam	February 15, 2008	TCM Limited and our Company	Nil	200.00	70	15.16
13.	Ahmedabad	Jagatpur, Taluka Dascroi, District Ahmedabad – 2 (Wadaj)	April 15, 2008	Shree Siddhi Infrabuild Private Limited and our Company	500.00	2,750.00	67.60	223.08
14.	Chennai	Chembarambakkam Village, Poonamallee Taluk, Thiruvallur District	February 22, 2008	Addison & Company Limited and our Company	Nil	80.00	63.25 – Commercial 100 – Residential	14.20
15.	Greater Noida	Plot No.Tz-07, Sector IT Park (Tech Zone) Area, Greater Noida Industrial Area, Ghaziabad	May 2, 2008	Uppals IT Project Private Limited and our Company	Nil	800.00	55 – Commercial 60 – Residential	42.39
TOTAL					1,210.00	3,905.00		335.35

^{*}The figures represent the Company's proportionate interest in the lands.

¹ As the agreements/MoUs are on a revenue/profit/area sharing basis, therefore the amount payable cannot be determined as of now. The amounts mentioned in the column above represents only the amount payable as per the agreement/MoUs which are refundable/adjustable against the proportionate share of the respective parties as mentioned in the details of each agreement mentioned below. The same does not include any stamp duty, registration charges and brokerage on these agreements/MoUs.

²An amount of Rs. 25.00 million is non-refundable.

Details of the agreements/MoUs of each project are as mentioned below:

1. Our Company has entered into a joint venture agreement dated August 22, 2000 with Mr. Shirish Madhukar Dalvi, for development of land located at Village Barave, Taluka Kalyan, District Thane. As per the terms of the agreement, the net surplus arrived at after deducting the costs from gross sale proceeds received from the project will be distributed between our Company and Mr. Dalvi in the ratio

- of 75:25. Further, in the event of inadequate gross sale proceeds or net surplus or if there is a net deficit our Company shall pay a sum of Rs. 5.5 million to Mr. Dalvi as a guaranteed minimum sum.
2. Our Company has entered into a joint venture agreement dated May 5, 2004 with Mr. Shirish Madhukar Dalvi, for development of land admeasuring 3.19 acres located at Village Barave, Taluka Kalyan, District Thane. As per the terms of the agreement the parties shall from time to time jointly fix the sale price of the units developed by our Company and in case of any disagreement regarding the sale price of the units the party asking for the higher price shall have the right to purchase the units at the higher price within 15 days. As per the terms of the agreement, the net surplus arrived at after deducting the costs from gross sale proceeds received from the project will be distributed between Mr. Dalvi and our Company in the ratio of 60:40.
 3. Our Company has entered into a joint venture agreement dated August 22, 2000 with Mr. Shirish Madhukar Dalvi, who has acquired the development rights over the land from the owners of the land, for development of land admeasuring 1.85 acres located at Village Barave, Taluka Kalyan, District Thane. As per the terms of the agreement the parties shall from time to time jointly fix the sale price of the units developed by our Company and in case of any disagreement regarding the sale price of the units the party asking for the higher price shall have the right to purchase the units at the higher price within 15 days. The parties to the agreement have agreed that the net surplus arrived at after deducting the costs from gross sale proceeds received from the project will be distributed between our Company and Mr. Dalvi in the ratio of 60:40. Further, in the event of inadequate gross sale proceeds or net surplus or if there is a net deficit our Company shall pay a sum of Rs. 20 million to Mr. Dalvi as a guaranteed minimum sum.
 4. Our Company has entered into a four memoranda of understanding all dated May 3, 1999 with Mr. Deepak Verma, Mr. Dharendra Verma, Mrs. Kaushalya Devi Verma, Ms. Veerbala Reddy, the owners of land admeasuring approximately 87,710 sq. mt. located at Village Chitalsar, Manpade Taluka, District Thane. As per the terms of the arrangement between the parties, the landowners receives 15% of the gross sales of the developed project and have a further share of 50% of the profit arrived after deducting the development cost from the remaining 85% of the gross sales.
 5. Our Company has entered into a development agreement dated September 24, 2004 with the Simplex Mills Company Limited, being the owner of land admeasuring approximately 36,553.80 sq. mt. located at Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Byculla, Mumbai ("the said larger property"). Out of the larger property, land admeasuring 28717.62 sq. mt., is freehold land, whilst land admeasuring 7836.18 sq. mt., is leasehold land. In respect of the leasehold land, a lease deed dated August 26, 1884 was executed by and between the owner and the Collector of Mumbai.
 6. Our Company has entered into a Memorandum of Understanding dated June 17, 1999 with Mr. Jagshi Jethabhai Chheda, a sole proprietor carrying on business in the name of M/s Silver Developers for the purpose of implementing and completing the development and construction work of land admeasuring approximately 1.30 acres at Chunnabhatty at Village, Kurla in Greater Mumbai. As per the terms of the MoU, our Company shall be paid an amount equal to 38.25% of the net realization and the balance amount shall be retained by Silver.
 7. Our Company has entered into a joint development agreement dated January 22, 2004 with Amco Batteries Limited, as the owner of land, for development of land admeasuring 20.1 acres located at Hebbal Village, Kasaba Hobli, Bangalore. Under the terms of the agreement, in consideration of our Company developing the property and marketing and disposing off the owner's share in the property, the owner has agreed to transfer 72% undivided share of the right, title and interest in the property to our Company and the balance 28% shall remain with the owner. The agreement states that our Company shall be entitled to alienate, mortgage, transfer or otherwise be in possession of its share of the property. The parties have agreed that our Company shall market and sell the owner's share in the property alongwith its own share and pay the gross sale consideration to the owner in the proportion of its share in the property.

8. Our Company has entered into a joint development agreement dated April 20, 2007 with Mr. Feroz Khan and Mr. Fardeen Khan, as the owners of land, for development of land admeasuring 12.97 acres located at Chikkabidarakallu Village, Dasanapura Hobli, Bangalore. By letter dated November 2, 2006 bearing No. BDA/TPM/PL-40/05/2651/2006-07, the Bangalore Development Authority has sanctioned the layout plan in respect of the property under which the property can be developed for residential use. Our Company has, at the time of execution of the agreement, paid to the owners a sum of Rs. 137 million as deposit which shall be adjusted against the owner's share of the consideration. As per the terms of the agreement, the owners shall deposit the title documents of the property with an escrow agent. The title documents shall be handed over to the Company after we have expended a sum of Rs. 150 million towards the cost of development of the property. Upon release of the title documents our Company may utilise the same to raise finance against the security from banks and financial institutions. The parties to the agreement have agreed that the profits derived from the sale of the premises/units will be distributed between our Company and the owners in the ratio of 50:50.
9. Our Company has entered into a joint development agreement dated December 18, 2007 with Esskay Properties and Investments Limited, as the owner of land, for development of land admeasuring 9.18 acres located at Nagarur Village, Dasanapura Hobli, Bangalore. The property has been converted from agricultural use to health club and commercial use by order No. BDS/ALN/SR(N)/177/92-93 dated March 2, 1994 issued by the office of the Deputy Commissioner, Bangalore. Further, as per the terms of the agreement the gross sale proceeds received from the project will be distributed between our Company and Esskay Properties and Investments Limited in the ratio of 78:22.
10. Our Company has entered into a development agreement dated November 15, 2007 with Mr. B. M. Farookh, as the owner of land, for development of land admeasuring 6.16 acres located at Dakshina Kannada District, Padavu Village, Mangalore. As per the terms of the agreement, our Company shall construct residential and commercial units on the property. The parties have agreed to share the residential development on an area sharing basis and the commercial development on a revenue sharing basis in the ratio of 73.50 : 26.50.
11. Our Company has entered into a joint development agreement dated February 4, 2008 with M/s Zara Infrastructure Private Limited, alongwith the other owners entitled to the respective portions of land admeasuring approximately 16,378.66 sq. mt. located at Industrial Plot No. 70, Industrial Area, Phase-I, Chandigarh. The Company has been assigned, by M/s Zara Infrastructure Private Limited, the development rights with respect to the property along with a right to exclusively market, sell/convey the constructed premises and receive the sale proceeds vis-à-vis the property. The owners shall be entitled to 50% of the gross sales revenue and M/s Zara Infrastructure Private Limited and our Company shall be entitled to 50% of the gross sales revenue.
12. Our Company has entered into a joint development agreement dated February 15, 2008 with TCM Limited, as the owner of land, for development of land admeasuring 21.66 acres located at Trikkakara North Village, Kanayannur Taluk, Ernakulam District. TCM Limited has been declared as a sick company by the BIFR under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. TCM Limited has clear and marketable title to the property subject to encumbrances, including borrowings from banks and financial institutions and statutory dues and the owner may create third party rights in the property only after obtaining specific approval from the BIFR. The agreement states that the property is free hold, non-agricultural land and is not located in a zone restricted for industrial use. As per the terms of the agreement if the proposed project includes commercial development, our Company shall allot 5,000 sq. ft. of saleable area in the commercial premises at actual construction cost to TCM Limited.
13. Our Company has entered into an agreement to grant development rights dated April 15, 2008 with Shree Siddhi Infrabuild Private Limited (SSIPL) that has identified a neighbouring piece of land admeasuring approximately 250 acres located at Jagatpur, Taluka Dascroi, in Ahmedabad- 2 (Wadaj) which, is owned and possessed by Agriculturists. SSIPL shall obtain clear and marketable title with respect to the property. As per the terms of this agreement SSIPL shall after incorporating a Company and assign all the rights and obligations vis-à-vis development and related activities to that new

Company. Our Company under this agreement shall provide exclusive marketing and other services, finance and expertise in lieu of developing the township the right to sell, convey 67.60% of the built up property and receive 67.60% of the sale proceeds vis-à-vis the property and SSIPL's shall receive a share of 32.40% in the built premises.

14. Our Company has entered into a memorandum of understanding dated February 22, 2008 with Addison & Company Limited, Chennai, to enter into a development agreement for development of land admeasuring 17.397 acres located at Chembarambakkam Village, Poonamallee Taluk, Thiruvallur District, Chennai into IT, commercial and residential buildings. As per the representations provided by Addison & Company Limited the entire area of the land has been converted from open space and recreational use zone to light industrial use zone. The parties have agreed that for the IT development the total saleable space will be shared between our Company and Addison & Company Limited in proportion of 63.25 : 36.75 and for the residential development the total saleable area will belong to our Company.
15. Our Company has entered into a memorandum of understanding dated May 2, 2008 with Uppals IT Project Private Limited for the purpose of development of land admeasuring approximately 76 acres located at Plot No.Tz-07, Pocket__ at Sector IT Park (Tech Zone) Area, Greater Noida Industrial Area Gautam Budh Nagar, Ghaziabad. As per the terms of this agreement our Company shall incorporate a special purpose vehicle to carry out the development and related activities and assign all the rights and obligations vis-à-vis the development of the land to the special purpose vehicle.

(iv).2 Through the Subsidiaries:

We hold development rights through our subsidiaries aggregating to approximately 8.13 acres of land located in and around Pune and Kolkata, constituting 2.01% of the total Land Reserves. Of the said lands we plan to develop approximately 4.19 million sq. ft. constituting 5.32% of the total developable area.

As of May 15, 2008, we have paid a sum of Rs. 75.00 million towards the development rights to these lands.

The details of the joint development agreements, the name of the land owner, the percentage accruing to us under these agreements and the amounts paid and payable under these agreements, are specified in the table below.

S.No	City	Location	Date of the Agreement	Parties	Amount paid as of May 15, 2008 (In Rupees million)	Amount payable (In Rupees million)	Economic ownership of our Subsidiary (Percentage)	Area (In acres)*
1.	Pune	Village Bavdhan, Taluka Mulshi	March 10, 2006	1. Vaishali Chetan Gaikwad, Vaidehi Dattaray Gaikwad, 2. Godrej Realty Private Limited and 3. Our Company	Nil	Nil	30	3.73
2.	Kolkata	Plot No. 5, Block DP, Sector V, Bidhanagar, Salt Lake	February 7, 2007	1. Infinity Infotech Parks Limited, 2. Godrej Waterside Properties Private Limited and	55.00	Nil	31.11	1.74

S.No	City	Location	Date of the Agreement	Parties	Amount paid as of May 15, 2008 (In Rupees million)	Amount payable (In Rupees million)	Economic ownership of our Subsidiary (Percentage)	Area (In acres)*
				3. Our Company				
3.	Kolkata	Plot No. 11, Block EP and GP, Sector – V, Bidhannagar, Salt Lake	December 19, 2005	1. Simoco Telecommunication (South Asia) Limited, 2. Ocean Freight Enterprises Private Limited, 3. Godrej Developers Private Limited and 4. Our Company	20.00	Nil	62	2.67
TOTAL					75.00	Nil		8.13

* The figures represent the Company's proportionate interest in the lands

Godrej Realty Private Limited

Godrej Realty Private Limited has entered into a development agreement dated March 10, 2006 with Vaishali Chetan Gaikwad and Vaidehi Dattaray Gaikwad, as the owners of the land, where our Company is also a confirming party, for development of land admeasuring 12.60 acres located at Village Bavdhan, Taluka Mulshi, District Poona. The parties to the agreement have agreed that the gross sale proceeds received from the sale of the premises/units will be distributed between Godrej Realty Private Limited and the owners i.e. Vaishali Chetan Gaikwad and Vaidehi Dattaray Gaikwad in the ratio of 58:42. A public notice was published in the Times of India dated June 26, 2006 by the High Energy Materials Research Laboratory ("HEMRL"), situated at Sutarwadi, Pune informing the public regarding restrictions on the use and enjoyment of land lying in the vicinity of HEMRL. A major portion of the property at Bavdhan, Pune, which the Company had undertaken for development activity, is falling under the restricted area. For further details refer to "Notices received by our Subsidiaries – Godrej Realty Private Limited" in the section titled "Outstanding Litigation and Material Developments" on page 268 of this Draft Red Herring Prospectus.

Godrej Waterside Properties Private Limited

Godrej Waterside Properties Private Limited has entered into a development agreement dated February 7, 2007 with Infinity Infotech Parks Limited where our Company is also a confirming party. By a lease deed dated February 12, 1996 the Governor of West Bengal granted to West Bengal Electronics Industry Development Corporation Limited (Webel) a lease of land admeasuring 520.169 Cottahs (1 cottah = 720 sq. ft.) for a period of 999 years. By a sub-lease dated December 11, 1997 between Webel and Globsyn Webel Limited, Webel granted a part of land admeasuring approximately 8.60 acres for a term of 330 years renewable for two similar terms. Thereafter, the parties to the sub-lease decided that Globsyn Webel Limited shall surrender an area of 3 acres out of the entire plot in favour of Webel and by a deed of surrender of lease dated December 19, 2001, Globsyn Webel Limited agreed to surrender an area of 3 acres out of the entire plot to Webel. Subsequently, in 2002 Globsyn Webel Limited changed its name to Infinity Infotech Parks Limited. By letter dated March 3, 2005, Webel has allowed Infinity Infotech Parks Limited to further sub-lease built up space in the buildings to be constructed by it on the said property either on short term or on long term basis keeping other terms and conditions of the aforesaid recited sub-lease unchanged. Our Company has nominated Godrej Waterside Properties Private Limited, which has been duly accepted by Infinity Infotech Parks Limited, to undertake the

development of the project and construction of new buildings at the land mentioned above. The parties have agreed that the total constructed area of the completed project, together with amenities and facilities, will be distributed between Godrej Waterside Properties Private Limited and Infinity Infotech Parks Limited in the ratio of 61:39.

Godrej Developers Private Limited

Godrej Developers Private Limited has entered into a development agreement dated December 28, 2007 with Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited, where our Company is also a confirming party, for the purpose of developing an Information Technology Park on an area of land admeasuring 4.29 acres situated at Plot No. XI, Block EP and GP, Sector-V, Salt Lake City, Bidhanagar, Kolkata. Our Company has nominated Godrej Developers Private Limited, which has been duly accepted by Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited, to undertake the development of the project and construction of new buildings at the land mentioned above. The parties to the agreement have agreed that upon completion of the project Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited together shall be entitled to 38% of the saleable area of the new constructed building and Godrej Developers Private Limited shall be entitled to the remaining 62% of the saleable area of the new constructed building. Simoco Telecommunication (South Asia) Limited and Ocean Freight Enterprises Private Limited shall further share their interest of 38% in the saleable area of the new constructed building in the ratio of 29:9.

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

We have not entered into joint development agreements through any other entities.

The materiality of the agreements in relation to land has been considered on the basis of 10% or more of the aggregate value of lands under each category. The material agreements in this category i.e., 'Land for which joint development agreements/MoUs have been entered into by the Company directly or through its subsidiaries' are as follows:

S.No.	Location of Land	Date of Agreement	Parties to the Agreement	Agreement Value (In Rupees million)	Amount Paid as of May 15, 2008(In Rupees million)
1.	Jagatpur, Taluka Dascroi, District Ahmedabad – 2 (Wadaj)	April 15, 2008	Shree Siddhi Infrabuild Private Limited and our Company	3,250.00	500.00
2.	Plot No.Tz-07, Sector IT Park (Tech Zone) Area, Greater Noida Industrial Area, Ghaziabad	May 2, 2008	Uppal IT Project Private Limited and our Company	800.00	Nil

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

We do not hold any lands that fall within this category.

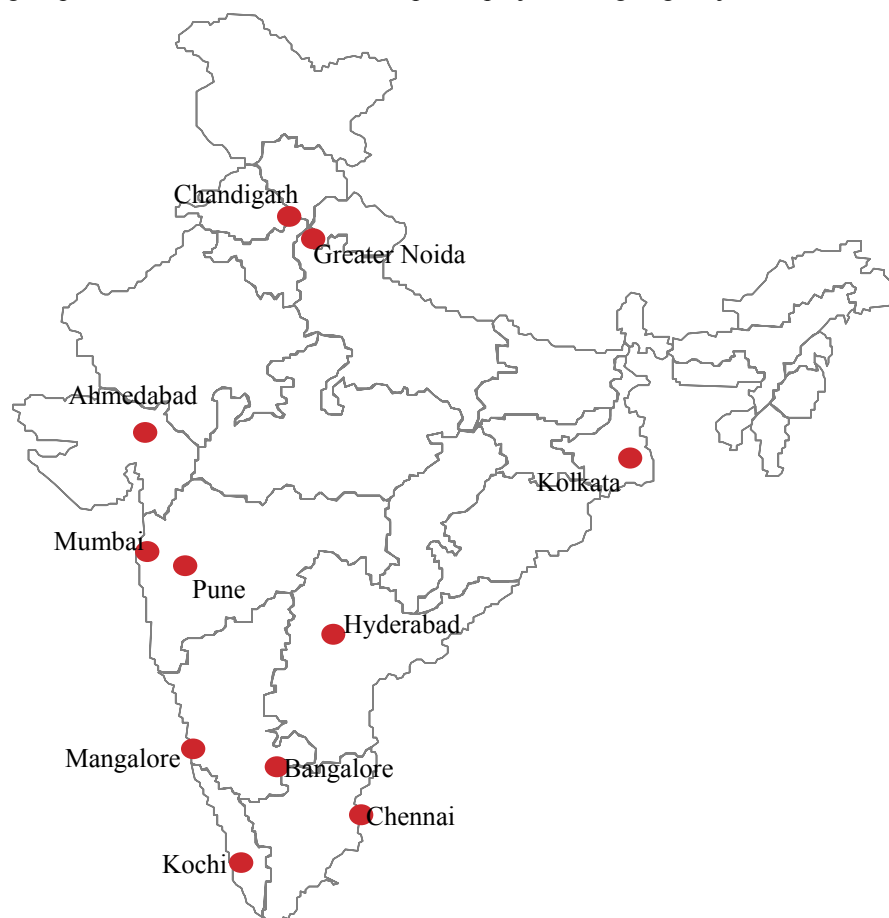
Other Agreements

Our Company has entered into an agreement dated October 21, 1999 with Sitaldas Estate Private Limited for the purpose of re-development of the property situated at the Walkeshwar Road, Mumbai.

Our Company has entered into memoranda of understanding with parties for initiating the process of identification of land for the purpose of acquisition in Kalyan, Titwala and near Pune.

Description of Our Business

The following map shows the locations of our completed projects, Ongoing Projects and Forthcoming Projects:



Completed Projects

The following table presents, as of May 15, 2008, the approximate Developable Area of our completed projects.

Type of Property	Approximate Developable Area* (in million sq. ft.)	Percentage of Developable Area as per Type of Property
Residential projects	2.63	73%
Commercial projects	0.99	27%
Total	3.62	100%

* Total area developed by us, irrespective of the revenue/profit sharing arrangement.

Ongoing Projects

The following table presents, as of May 15, 2008, the approximate Saleable Area of our Ongoing Projects:

Type of Property	Acreage*	Approximate Saleable Area (in million sq. ft.)	Percentage of Saleable Area as per Type of Property
Residential Projects	26	1.98	52%
Commercial Projects	8	1.80	48%
TOTAL	34	3.78	100%

* Area refers to the share of the Company only.

Forthcoming Projects

The following table presents, as of May 15, 2008 the approximate Saleable Area of our Forthcoming Projects:

Type	Acreage*	Approximate Saleable Area (in million sq ft)	Percentage of Saleable Area as per Type of Property
Residential Projects	209	24.85	49%
Commercial Projects	161	26.36	51%
TOTAL	370	51.21	100%

* Area refers to the share of the Company only.

Our Residential Projects

Our residential projects are primarily designed for middle income and high income customers. Our residential buildings are designed with a variety of amenities such as security systems, sports and recreational facilities, play areas and electricity back-up. As of May 15, 2008, we have completed 13 residential projects in and around Mumbai and Pune, with six residential Ongoing Projects and nine residential Forthcoming Projects.

The details of our completed residential projects, all of which have been fully sold, are as follows:

Name, Location	Date of Completion	Approximate Developable Area (in million sq. ft.)
Godrej Park, Kalyan	1996	0.15
Godrej Eden Woods I and II, Thane	2000	0.40
Godrej Grenville Park, Ghatkopar, Mumbai	2001	0.06
Godrej Hill, Kalyan	2002	1.07
Godrej Sky Garden, Panvel, Mumbai	2002	0.31
Godrej Plaza, Panvel, Mumbai	2002	0.06
Godrej Indraprastha, Santacruz, Mumbai	2003	0.03
Godrej Bayview, Worli, Mumbai	2003	0.04
Godrej Sherwood, Shivaji Nagar, Wakdevadi, Pune	2003	0.09
Godrej La Vista, Shivaji Park, Mumbai	2006	0.01
Godrej Glenelg, Cuffe Parade, Mumbai	2007	0.05
Godrej Waldorf, Oshiwara, Mumbai	2007	0.04
Planet Godrej – Towers 1 and 2, Mahalaxmi, Mumbai	2008	0.32
Total		2.63

The details of our residential Ongoing Projects and Forthcoming Projects are as follows:

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Our residential Ongoing Projects					
Godrej GVD-II, Kalyan	Apartment complex	2009	0.12	Not yet launched	0.09
Planet Godrej - Towers 3, 4, 5 Mahalaxmi, Mumbai	High rise apartment complex	2009	0.50	84	0.15
Godrej Riverside, Kalyan	Apartment complex	2010	0.28	12	0.11
Godrej Eden Woods – Phase III, Thane	Apartment complex	2010	0.15	57	0.06
Godrej Woodsman Estate, Bangalore	Apartment complex	2009	1.78	96	1.41

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Godrej Gold County, Bangalore	Villas and apartments	2010	0.30	Not yet launched	0.15
Total			3.14		1.98
Our residential Forthcoming Projects					
Godrej RSM HKB, Kalyan,	Apartment complex	2010	0.14	Not yet launched	0.09
Godrej Prakriti, Kolkata	Apartment complex	2013	2.63	Not yet launched	2.63
Godrej Mangalore-I, Mangalore	Apartment complex	2010	0.45	Not yet launched	0.33
Godrej Tumkur Road- II, Bangalore	Apartment complex	2011	0.79	Not yet launched	0.62
Godrej Ahmedabad Township, Ahmedabad	Township	2017	26.27	Not yet launched	17.76
Godrej Greater Noida – I, Greater Noida	Apartment complex	2013	1.41	Not yet launched	0.84
Godrej Chennai -I, Chennai	Apartment complex	2011	0.60	Not yet launched	0.60
Godrej Kochi -I, Kochi	Apartment complex	2013	2.83	Not yet launched	1.98
Total			35.12		24.85

Given below is a brief overview of some of our residential Ongoing Projects:

Planet Godrej, Mahalaxmi, Mumbai:

This is a premium high-rise residential project located in Mahalaxmi, Mumbai. It comprises five towers, two of which have already been completed and three of which are ongoing. Planet Godrej has an estimated Developable Area of 0.82 million sq. ft. Upon completion, this project will have approximately 380 units of varying configurations across five towers of 48 storeys each with contemporary design and open spaces. The footprint of the towers cover only a small portion of the total property area, while the rest of the plot area has been used to provide landscaping and facilities. The size of the plot ensures that apart from the residential towers, there are spaces for development of a large podium, a modern gymnasium, gardens, a clubhouse, pools and game courts. This project was awarded the “Pinnacle Award, 2006” by ZEE Business for being the best upcoming real estate project in India, as well as “Project of the Year – Mumbai” for the year 2007 by the Accommodation Times. As of May 15, 2008, approximately 84% of the units in the ongoing part of the project have been sold. This project is expected to be completed in 2009.

Godrej Woodsman Estate, Bangalore:

This is a residential apartment complex located approximately a kilometre away from Hebbal Flyover on Bellary Road, Bangalore, near the new international airport, and has a Developable Area of approximately 1.78 million sq. ft. The project encompasses seven towers of 16 storeys each and comprises of two and three bedroom apartments. This project is strategically located with connectivity to the upcoming international airport. Modern facilities such as podium parking, clubhouse, a swimming pool, gardens and children’s play area form part of this project. As of May 15, 2008, approximately 96% of the units have been sold. This project is expected to be completed in 2009.

Godrej Gold County, Bangalore:

This is a residential project of villas and premium apartments located off Tumkur Road, Bangalore, with a Developable Area of approximately 0.30 million sq. ft. Upon completion, this project will have 28 luxury villas of super-built up area ranging from 6,000 to 10,000 sq. ft. and eight apartments of more than 5,000 sq. ft. of super built-up area each. In addition, a club house with modern sports facilities is planned. This project is expected to be completed in 2010.

Given below is a brief overview of one of our residential Forthcoming Projects:

Godrej Prakriti, Kolkata:

This is a residential project proposed on the B. T. Road in the Northern part of Kolkata, with a Developable Area of 2.63 million sq. ft. The project is located approximately two kilometres from the Sodepur railway station and 15 kilometres from the international airport and is connected by an expressway. This project will be developed in phases and is expected to be completed by 2013

Our Commercial Projects

Our commercial projects include IT parks, retail space and office complexes. The details of our completed commercial projects, all of which are fully sold or leased, are as follows:

Name, Location	Type of Development	Date of Completion of the Project	Approximate Developable Area (in million sq. ft.)
M.G.S.M., Bandra, Mumbai	Commercial office space	1997	0.03
Godrej Millennium, Koregaon Road, Pune	Commercial office space	2000	0.12
Godrej Eternia B and C, Shivaji Nagar, Wakdevadi, Pune	IT park, commercial office and retail space	2003	0.31
Godrej Avanti, Shankarsheth Road, Pune	Commercial office space	2003	0.02
Godrej Castlemaine, Bund Garden, Pune	IT park, commercial office and retail space	2004	0.29
Godrej Coliseum – Phase I and II, Sion, Mumbai	Commercial office and retail space	2007	0.22
Total			0.99

The details of our commercial Ongoing Projects and Forthcoming Projects are as follows:

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Ongoing Projects					
Godrej Waterside, Salt Lake City, Sector V, Kolkata	IT park	2009	2.16	7	0.67
Godrej Coliseum – Phase III, Sion, Mumbai	Commercial office space	2009	0.17	22	0.04

Name, Location	Type of Development	Expected Completion Date	Estimated Developable Area (in million sq. ft.)	% Project Sold	Estimated Saleable Area (in million sq. ft.)
Godrej Genesis, Salt Lake City, Sector V, Kolkata	IT park	2010	1.48	Not yet launched	0.92
Godrej Genesis, Bavdhan, Pune	IT park	2011	0.55	Not yet launched	0.16
Total			4.37		1.80
Forthcoming Projects					
Godrej Ahmedabad Township	Mixed commercial	2017	14.15	Not yet launched	9.56
Godrej Chandigarh -I, Chandigarh	Commercial office space, retail	2011	0.46	Not yet launched	0.19
Godrej Prakriti, Kolkata	Commercial office space, retail	2012	0.49	Not yet launched	0.49
Godrej Mangalore-I, Mangalore	Commercial office space, hotel	2011	0.33	Not yet launched	0.24
Godrej Genesis, Hyderabad	IT SEZ	2014	9.60	Not yet launched	9.60
Godrej Chennai - I, Chennai	Commercial office space, IT	2011	1.30	Not yet launched	0.82
Godrej Greater Noida -I, Greater Noida	IT SEZ	2013	9.91	Not yet launched	5.45
Total			36.23		26.36

Given below is a brief overview of some of our commercial Ongoing Projects:

Godrej Waterside, Salt Lake City, Sector V, Kolkata:

This is an IT park located in Sector V of the Salt Lake area of Kolkata, an established IT hub and is adjacent to a natural lake. This project will have a total Developable Area of approximately 2.16 million sq. ft. with two towers and parking facilities for approximately 1,400 cars. As of May 15, 2008, approximately 7% of the project has been pre-committed. This project is expected to be completed by 2009.

Godrej Genesis, Salt Lake City, Sector V, Kolkata:

This is our second IT park project located in Sector V of the Salt Lake area of Kolkata. It is being designed as a single building of 18 floors and will have car parking for approximately 1,300 cars. The project will have a total Developable Area of approximately 1.48 million sq. ft. This project is expected to be completed by 2010.

Given below is a brief overview of one of our commercial Forthcoming Projects:

Godrej Genesis, Hyderabad:

This is a proposed IT project located in APIIC's Industrial Area. Located close to the junction of national highway no. 9 and the proposed Outer Ring Road 2nd phase, it will offer connectivity to Hi-Tech City and the proposed new airport at Shamshabad. When completed, this project will have a Developable Area of approximately 9.60 million sq. ft. This project is expected to be completed by 2014.

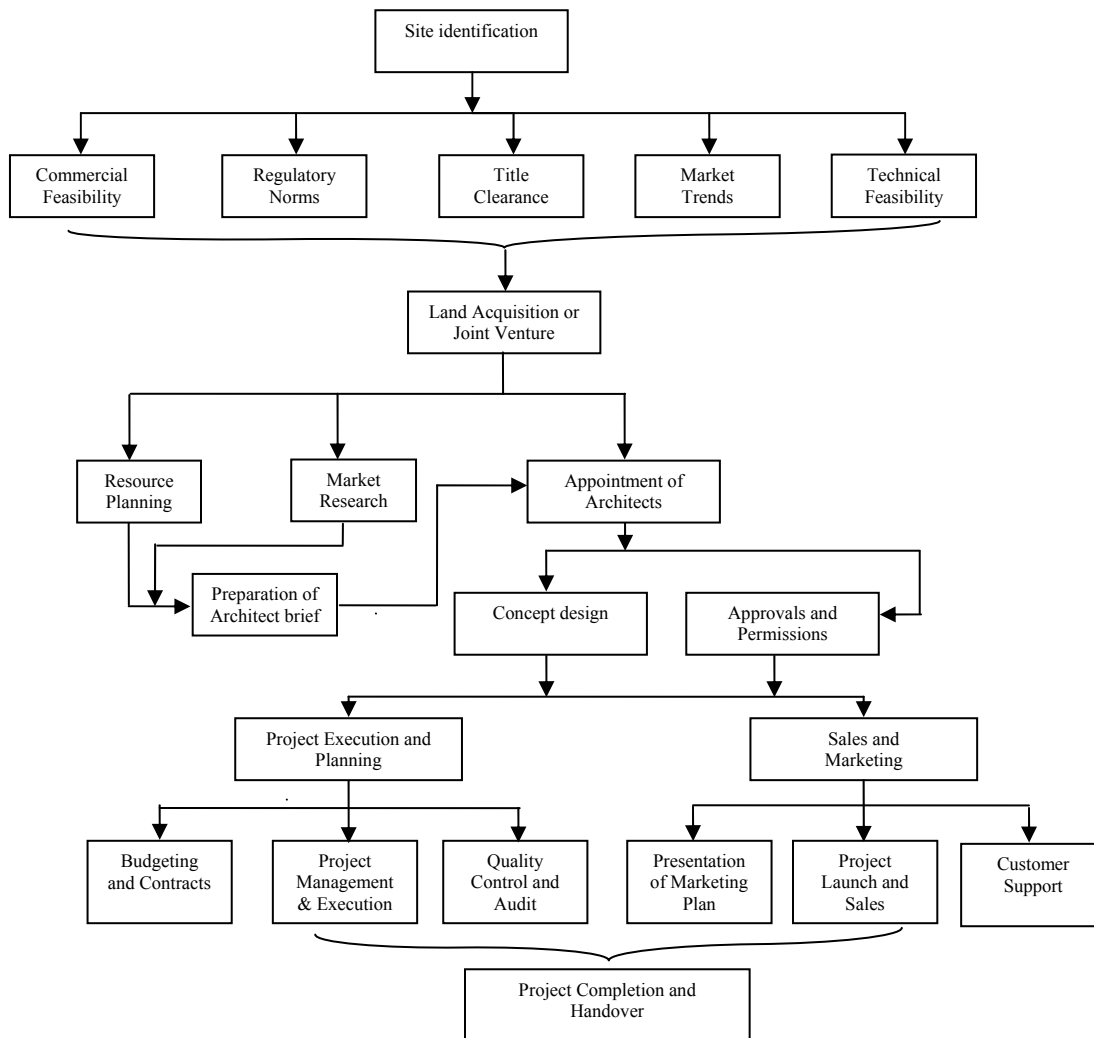
Memoranda of Understanding with the Godrej Group Companies

We have entered into memoranda of understanding with certain Promoter Group Companies, Godrej Industries Limited, Godrej & Boyce Manufacturing Company Limited and Godrej Agrovat Limited for developing land owned by them in various regions across the country. Pursuant to the memorandum of understanding with Godrej & Boyce Manufacturing Company Limited, Godrej & Boyce Manufacturing Company Limited may appoint us as the developer of the land it owns. Pursuant to the memoranda of understanding with Godrej Industries Limited and Godrej Agrovat Limited, we are to be appointed as the developer to develop their land. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute

definitive agreements for the development of this land. Such appointment entails developing any of the land the entities own in any part of India, providing advice on the regulations affecting a proposed project and on the feasibility and the design of the project. We may also be responsible for obtaining the required sanctions and permissions for the development of the project and for overseeing the quality, cost, schedule, aesthetics, pricing and marketing of the project.

Operation Methodology

The following chart illustrates our operation methodology:



Land Acquisition and Development Agreements

We have a dedicated team of professionals who handle land acquisition and opportunities for joint development agreements across various cities. One of the key factors in land acquisition is the ability to assess the development potential of a location after evaluating the demographic, economic and regulatory factors.

This team closely works with the various property consultants, advisory bodies, local architects and liaises with consultants who provide information regarding the availability of land, development regulations, planned developments and market trends specific to the location. The team also evaluates the land title through independent lawyers. Based on this information, a preliminary feasibility proposal is made. Once the title clearance is obtained, based on the feasibility figures, we either acquire the land on an outright basis or enter into a development agreement with the owners.

Project Planning and Execution

The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. We develop the project concept based on market studies and customer surveys to identify the area's marketability and target customers. An architectural brief is prepared based on the project concept which is subsequently finalised with selected architects and other external consultants. Our operations and project management team, along with external consultants, closely monitor the development process, construction quality, actual and estimated project costs and construction schedules. We endeavour to maintain high health and safety standards in all of our real estate developments.

We engage leading design and engineering, construction and project management companies such as Sembawang Infrastructure India Private Limited, Currie & Brown India, Larsen & Toubro Limited and Gammon India Limited for the execution of our projects.

Sales and Marketing

We maintain a data base consisting of our existing customers and undertake direct sales efforts through a combination of telephonic marketing and electronic marketing, either centrally from our head office or through our business representatives. We conduct our indirect marketing through our external network of sales associates across India. We also actively participate in real estate exhibitions worldwide.

We encourage the participation of former buyers or tenants in our new product launches. We employ various marketing approaches depending on whether the project is residential or commercial. These include launch events, corporate presentations, web marketing, direct and indirect marketing, as well as newspaper and outdoor advertising. We prefer to market our projects directly to our customers, although part of our sales are made through brokers. Most of the sale bookings are performed on-site, although sales are also made at our corporate offices. We begin making sales upon commencement of a project and usually enter into agreements to sell a substantial portion of each project prior to completion. A client servicing team services the customer after the booking process through 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 purchase their apartments.

We have mostly followed the "build and sell" model of developing land and selling our developments to customers. While we anticipate continuing our operations in this manner, we will continue to evaluate other options, such as retaining ownership and leasing out property, based on the asset in question and the prevailing market conditions.

Completion and Hand-over of the Property

We transfer the title or lease hold rights, as the case may be, to the customer upon the completion and closing of the sale of the units. We ensure the entire consideration is paid to us prior to the transfer of title or before possession is handed over, whichever is earlier. After all of the units within a project are sold to the customers, the day-to-day management and control of the property is handed over to the residents' cooperative society. After handing over, we follow-up with customers for feedback on our performance and on the property. This proves helpful in improving our services and standards.

Our Competitors

We face competition from various domestic and international property developers. Moreover, as we seek to diversify into new geographies, we face the risk that some of our competitors have a pan-India presence while our other competitors have a strong presence in certain regional markets. Our competitors include both large corporate and small real estate developers in the regions where we operate. Our key competitors include real estate developers such as DLF Limited, Unitech Limited, Ansal Properties Limited, Hiranandani Group, Sobha Developers Limited and Purvankara Projects Limited.

Our Employees

Our employees are not covered by any collective bargaining agreements. We have not experienced any material strikes, work stoppages or actions by our employees, and we consider our relationship with our employees to be satisfactory. As part of our strategy to improve operational efficiency, we regularly organise in-house and external training programs for our employees.

As of April 30, 2008, we had 133 permanent employees. Our permanent employees include personnel engaged in our management, administration, planning, procurement, auditing, finance, business development, sales and marketing and legal functions. The function-wise break-down of our employees is as set forth below:

Function	No. of Employees
Managers	65
Officers	59
Staff	9
Total	133

Health, Safety and Environment

We are committed to complying with applicable health, safety and environmental laws and 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 all 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.

Intellectual property

Godrej Industries Limited has by way of a trademark license agreement dated May 27, 2008 granted to our Company a non-exclusive right to use the word “Godrej” and the “Godrej” logo. For details refer to our section titled “History and Corporate Structure” on page 93 of this Draft Red Herring Prospectus.

Insurance

We maintain project specific insurance coverage with leading insurers in India. Some of the major risks covered in our all-risk policy for our business assets are against risk of fire, natural calamities, transit and burglary. Our project specific insurance policies also generally cover us against material damage, price escalation costs, terrorism and earthquakes, debris removal limits and third party liability. In addition, we also have project specific workmen’s compensation policies. We also have a group term insurance policy for our employees.

Properties

We have entered into a lease and license agreement for our registered office located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai -400 001 with Godrej & Boyce Manufacturing Company Limited.

REGULATIONS AND POLICIES

We are engaged in the business of real estate development and land development. Since our business involves the acquisition of land and land development rights, we are governed by a number of central and state legislation regulating substantive and procedural aspects of the acquisition of, and transfer of land. For the purposes of executing our projects, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant state and/or local governing bodies such as the Municipal Corporation of Greater Mumbai, the Fire Department, the Environmental Department, the City Survey Department, the Collector, MSD, etc. For details of such approvals please see “Government Approvals” on page 290 of this Draft Red Herring Prospectus.

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

The Urban Land (Ceiling and Regulation) Act, 1976 prescribes the limits to urban areas that can be acquired by a single entity. It has however been repealed in most states and union territories in accordance with the Urban Land (Ceiling and Regulation) Repeal Act, 1999 except for Andhra Pradesh, West Bengal and Jharkhand. In state where the Urban Land (Ceiling and Regulation) Act, 1976 is still in force, there are restrictions on the purchase of large areas of land. Further, the Land Acquisition Act, 1894 provides for the compulsory acquisition of land by the central government or appropriate state government for public purposes, including planned development and town and rural planning. However, any person having an interest in such land has the right to object to such compulsory acquisition and the right to compensation.

Laws regulating transfer of property

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by the operation of law, is governed by the Transfer of Property Act, 1882 (“**T.P. Act**”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 (“**Registration Act**”) has been enacted with the object of providing public notice of the execution of documents affecting transfer of interest in immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, and publication of documents and prevention of fraud. 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 in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. Evidence of the registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

The Indian Stamp Act, 1899

Stamp duty needs to be paid on all documents specified under the Indian Stamp Act, 1899 (“**Stamp Act**”) and at the rates specified in the Schedules thereunder. 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 said 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. Easementary rights may be acquired or created by (a) express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a use of twenty years without interruption. However, in accordance with the provisions of the Constitution of India, states are also empowered to prescribe or alter stamp duty payable on such documents executed within the states.

The Indian Easements Act, 1882

The law relating to easements is governed by the Easements Act, 1882 (“**Easements Act**”). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the dominant owner, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom. Easementary rights may be acquired or created by (a) express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a use of twenty years without interruption.

Special Economic Zones, Act, 2005

SEZ is regulated and governed by Special Economic Zone, Act, 2005 (the “**SEZ Act**”). The SEZ Act has been enacted for the establishment, development and management of the SEZs for the promotion of exports. An SEZ is a specifically delineated duty free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs.

Initially, India had introduced the concept of SEZ as a part of its Foreign Trade Policy, 2000. This concept embodied fiscal and regulatory concessions, which formed part of various laws, for example, Customs Act, Income-Tax Act and Excise Act. Since due to its relatively complex legal framework, it was unable to attract significant private investment, the SEZ Act was enacted.

A Board of Approval (“**SEZ Board**”) has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. BOA has a number of powers including the authority to approve proposals for the establishment of the SEZ, the operations to be carried out in the SEZ by the developer, the foreign collaborations and foreign direct investments.

The GoI has prescribed the minimum area requirements stipulated for various categories of SEZs, which are as follows:

- a) Multi-product SEZs - 1,000 hectares or more;
- b) Service sector SEZs – 100 hectares or more;
- c) Sector specific SEZs such as gems and jewellery, non conventional energy including solar energy, biotechnology, information technology, electronic hardware and software - 10 hectares or more;
- d) SEZ for specific sector or in a port or airport – minimum area 100 hectares; and
- e) SEZs for free trade and warehousing - 40 hectares or more

Procedure for setting up an SEZ

SEZs may be established under the SEZ Act, either jointly or severally by the central government, state

government or any other person. As per the provisions of the SEZ Act, any person, who intends to set up an SEZ may, after identifying the area, make an application in Form-A read with Rule 3 of the SEZ Rules, 2006 to the respective state government of the state where the land is located, giving details of the said proposal. State Government may approve the said proposal within a period of 45 days from the date of receipt of such an application in terms of Section 3 of the SEZ Act, 2005, read with sub-rule 1 of Rule 4 of the SEZ Rules, 2006. Alternatively, an application may also be made directly to the BOA and the NOC from the state government may be obtained subsequently.

On receipt of such an application, the BOA may subject to certain conditions approve the proposal in terms of Section 9 of the SEZ Act, 2005 read with Rule 6 of the SEZ Rules, 2006 and communicate it to the central government. Upon receipt of the communication from the BOA, the central government under rule 6 of the SEZ Rules, within 30 days grants the letter of Approval. The central government may prescribe certain additional conditions.

The approvals granted for setting up a SEZ under the erstwhile scheme were referred to as 'in-principle approvals'. Subsequent to the passing of the SEZ Act, however, currently, the central government initially grants the letter of approval to the proposals for setting up of SEZs which as per the old practice continues to be referred to as the 'in-principle approval'. The in-principle approval is valid for a period of one year or three years (as the case may be). The validity period may be extended by the central government, on a case to case basis. Normally, in-principle approval is granted when the Developer is yet to acquire land for the purpose of development of SEZ. In case the Developer already possesses required land for the development of SEZ, the BOA normally grants formal approval. Such formal approval shall be valid for a period of 3 years within which time effective steps shall be taken by the Developer to implement the SEZ project. The validity period may be extended by the central government, on a case to case basis.

The Developer is then required to furnish intimation to Department of Commerce, Ministry of Commerce and Industry, Government of India giving details of the SEZ as required in terms of Rule 7 of the SEZ Rules 2006 and the Department of Commerce, Ministry of Commerce and Industry, Government of India on being satisfied with the proposal and compliance of the developer with the terms of the approval, issues a notification declaring the specified area as an SEZ under Rule 8 of the SEZ Rules, 2006.

Apart from the letter of approval from the central government for setting up of the SEZ, no other governmental license is required. Once an area is declared to be an SEZ, the central government appoints a Development Commissioner under Section 11 of the SEZ, Act who is responsible for monitoring and ensuring strict adherence to the legal framework and the day to day operations of the SEZ.

The Special Economic Zone, Rules 2006 (the "SEZ Rules")

The SEZ Rules, 2006 have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide for a simplified procedure for a single window clearance from central and state governments for setting up of SEZs and a 'unit' in SEZ. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, for setting up and conducting business therein with an emphasis on 'self certification' and the terms and conditions subject to which entrepreneur and Developer shall be entitled to exemptions, drawbacks and concessions etc. The SEZ Rules also provide for the minimum area requirement for various categories of SEZs.

The Developer and/or a Co-developer as the case may be is required to have at least 26 percent of the equity in the entity proposing to create business, residential or recreational facilities in a SEZ in case such development is proposed to be carried out through a separate entity or special purpose vehicle being a company formed and registered under the Companies Act.

Laws relating to employment

The employment of construction workers is regulated by a wide variety of generally applicable labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Building and Other Construction Workers (Regulation of Employment and

Conditions of Service) Act, 1996, the Payment of Wages Act, 1936 and Workmen (Regulation of Employment and Condition of Service) Act, 1979.

STATE LAWS

State SEZ Policies

Various states including the states of Maharashtra, Tamil Nadu and Rajasthan have their own state SEZ policies. The state SEZ policies prescribe the rules in relation to the various environmental clearances, water and power supply arrangements, state taxes, duties, local taxes and levies etc. and we are required to follow the state policy, in addition to any central policies.

Laws specific to the state of Maharashtra

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

The Maharashtra Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 (“**MOF Act**”) applies throughout the State of Maharashtra. The provisions of the MOF Act apply to promoters / developers who intend to construct a block or building of flats on ownership basis. The MOF Act prescribes general liabilities of promoters and developers. Under the rules framed under the MOF Act, a model form of agreement to be entered into between promoters / developers and purchasers of flats has been prescribed. Under the MOF Act, the promoter / developer is required to enter into a written Agreement for sale of flat with each purchaser and the agreement contains prescribed particulars with relevant copies of documents and these agreements are compulsorily required to be registered.

Maharashtra Rent Control Act, 1999

The Maharashtra Rent Control Act, 1999 (“**MRC Act**”) has been enacted to unify, consolidate and amend the law relating to control of rent and repairs of certain premises and of eviction in Maharashtra and for encouraging the construction of new houses by assuring a fair return on the investment by landlords and to provide for the matters connected with the purposes aforesaid.

Maharashtra Tax on Buildings (with Larger Residential Premises) Act, 1979

The Maharashtra Tax on Buildings (with Larger Residential Premises) Act, 1979 has been enacted to provide for levy of tax on buildings in corporation areas in the State of Maharashtra, which contain larger residential premises.

The Bombay Stamp Act, 1958

As stated above, the applicable rates for stamp duty on various instruments, including those relating to conveyance, are prescribed by state legislation. The stamp duty rates as applicable in Maharashtra have been prescribed by the Bombay Stamp Act, 1958 (“**BSA**”). Set out below are some of the salient rates of stamp duty in the context of the Company’s operations:

- Development Agreement: under the BSA, stamp duty of 1% on consideration/market value, whichever is more is payable.
- Power of Attorney: if stamp duty is paid, as above, on the development agreement, then stamp duty payable is Rs. 200/-.
- Agreement with flat owners: Concessional stamp duty is provided for residential units and stamp duty on commercial units at the rate of 5%.

- In case of investments executed for the rehabilitation of slum dwellers, the Government of Maharashtra has, in exercise of its powers under section 9 of the BSA, reduced the stamp duty to Rs. 100/- only.

The Maharashtra Value Added Tax Act, 2002

The Maharashtra Value Added Tax Act, 2002 prescribes certain requirements in relation to the payment of value added tax in Maharashtra.

Maharashtra Cooperative Societies Act, 1960

The Maharashtra Cooperative Societies Act, 1960 has been enacted with a view to providing for the orderly development of cooperative movement in the State of Maharashtra in accordance with the relevant Directive Principles of State Policy enunciated in the Constitution of India.

Bombay Municipal Corporation Act, 1888

The Bombay Municipal Corporation Act, 1888 has been enacted to regulate the municipal administration of the city of Bombay (now Mumbai) and to secure the due administration of municipal funds.

The Maharashtra Housing and Area Development Act, 1976

The Maharashtra Housing and Area Development Act, 1976 has been enacted for giving effect to the policy of the State towards securing the principle specified in the Constitution of India and the execution of the proposals, plans or projects therefore and acquisition therefore of the lands and buildings and transferring the lands, buildings or tenements therein to the needy persons and cooperative societies of occupiers of such lands or buildings.

The Maharashtra Apartment Ownership Act, 1970

The Maharashtra Apartment Ownership Act, 1970 has been enacted to provide for ownership of an individual apartment in a building and to make such apartment heritable and transferable property.

The Building and other Construction Workers Regulation of Employment and Conditions of Service Act, 1996

The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 has been enacted to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures and for other matters connected therewith or incidental thereto.

Development Control Regulations for Greater Mumbai, 1991 (Development Control Regulations)

The Development Control Regulations for Greater Mumbai, 1991 (Development Control Regulations) ("Development Control Regulations") were formulated under the Maharashtra Regional Town Planning Act, 1966. The Development Control Regulations apply to building activity and development work in areas under the entire jurisdiction of the Municipal Corporation of Greater Mumbai.

The Development Control Regulations provides for an alternative to acquisition under the Land Acquisition Act by way of Transfer of Development Rights (TDRs). The permissible floor space index (FSI) defines the development rights of every parcel of land in Mumbai. If a particular parcel of land is designated for a public purpose, the land owner has an option of accepting monetary compensation under the Land Acquisition Act, 1894 or accept TDRs which can be sold in the market for use elsewhere in Mumbai. Regulation 34 the Development Control Regulations states that in certain circumstances, the development potential of a plot of land may be separated from the land itself and may be made available to the owner of the land in the form of

TDRs. Regulation 33 (10) of the Development Regulations provides that additional floor space index of up to 2.5 will be allowed to owners/developers of land on which slums are located where such owners/developers are prepared to provide 225 square feet dwelling units free of cost to the slum dwellers. The remainder of total development rights can be used as TDR. In case of land designated for resettlement of slum dwellers affected by infrastructure projects, the land owner has an option of offering dwelling units to the project implementation agency free of cost and get the benefit of TDR equivalent to floor area calculated at FSI of 3.5. The Development Control Regulations also set out standards for building design and construction, provision of services like water supply, sewerage site drainage, access roads, elevators, fire fighting etc.

Development Control Regulations for Mumbai Metropolitan Region, 1999

The Development Control Regulations for Mumbai Metropolitan Region, 1999 (“Development Control Regulations for MMR”) apply to the development of any land situated within the Mumbai Metropolitan Region as defined in the Mumbai Metropolitan Region Development Authority Act, 1974. Regulation 15.3.1 states that no person can carry out any development (except those stated in proviso to section 43 of the Maharashtra Regional Town Planning Act, 1966.) without obtaining permission from the Planning Authority and other relevant authorities including Zilla Parishads and the Pollution Control Board.

The Development Control Regulations for MMR have demarcated the region into various zones for development purposes including urbanisable zones, industrial zone, recreation and tourism development zone, green zones and forest zone. Regulation 15.3.5 states that development of land in these zones (other land in specified urbanisable zone and industrial zone) shall not be permitted unless the owner undertakes to provide at his own cost physical and social infrastructural facilities including roads, water supply, sewage waste disposal systems, electricity, play grounds etc. as well as any other facilities that the Planning Authority will determine. Regulation 15.3.7 provides that all developments which are existing prior to the Development Control Regulations for MMR, which are authorised under the Maharashtra Regional Town Planning Act, 1966 and Maharashtra Land Revenue Code, 1966 but which are not in conformity with the use provisions of the Regional Plan or these Regulation will continue as though they are in the conforming zone and will be allowed reasonable expansion within existing land area and within FSI limits prescribed by these Regulations.

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.

REGULATIONS REGARDING FOREIGN INVESTMENT

Foreign Investment in the Real Estate Sector

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India 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, however the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment is not permitted in the Real Estate Industry.

The GoI has permitted FDI of up to 100% under the automatic route in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure), (Real Estate Sector), subject to certain conditions contained in Press Note No. 2 (2005 series) (Press Note 2) and Press Note No. 4 (2006 series) (Press Note 4).

Further, as per the sector-specific policy for FDI, FDI upto 100% is allowed under the automatic route in Special Economic Zones and Free Trade Warehousing Zones covering setting up of these Zones and setting up

units in the Zones, subject to Special Economic Zones Act, 2005 and the Foreign Trade Policy.

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 (“**FDI Manual**”), 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:

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

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

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

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

- a. Minimum area to be developed under each project is as under
 1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
 2. In case of construction-development projects, a minimum built up area of 50,000 square meters
 3. In case of a combination project, anyone of the above two conditions would suffice
- b. Minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint

ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the company.

- c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is 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.

The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Note:

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as Sea Breeze Constructions and Investments Private Limited on February 8, 1985 by Mr. Mohan Khubchand Thakur and Mrs. Desiree Mohan Thakur. In the year 1987, we became a part of the Godrej group and in the year 1989 we became a subsidiary of Godrej Industries Limited (erstwhile Godrej Soaps Limited). For details of the change in our name, please refer to the section titled “General Information” beginning on page 14 of this Draft Red Herring Prospectus.

We are a real estate development company based in Mumbai, Maharashtra and have a presence in 11 cities in India. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company undertaking our projects through our in-house team of professionals and by partnering with companies with domestic and international operations.

We signed up for our first project, “Godrej Edenwoods”, in Thane, Mumbai in May 1991 and have since completed and delivered 19 projects aggregating approximately 3.62 million square feet in Mumbai and Pune. We initially concentrated our real estate business in the Mumbai Metropolitan region and later expanded our operations to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi and Greater Noida. Our current portfolio of 404 acres includes projects in 11 cities across India.

Key Events and Milestones

Year	Key Events, Milestones and Achievements
1989	Godrej Industries Limited (erstwhile Godrej Soaps Limited) forays into the real estate business
1991	Signed MoU for our first project in Thane – Godrej Edenwoods
1994	Completion of first residential building, Cypress (part of Godrej Edenwoods in Thane)
1996	Awarded the ISO 9002: 1994 certification by Bureau Veritas Quality International
1997	Completion of first commercial project at Bandra, Mumbai - MGSM
1999	Launch of first project in Pune – Godrej Millennium
2004	Godrej Woodsman Estate launched in Bangalore
2005	Executed agreement for the first project in Kolkata - Godrej Waterside
2006	Tied up with Rallis India Limited for construction of IT SEZ in Hyderabad Planet Godrej received the Pinnacle Award by Zee for the best upcoming real estate project in India
2007	Acquired 26.7 acres of land at B. T. Road, Kolkata Ranked among the top 10 construction companies in India by Construction World
2008	Expansion into several cities across India. Our Company is currently developing projects in 11 cities Two towers of Planet Godrej completed

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

“To carry on business as dealers, re-sellers, house and estate agents, auctioners, lessors, builders, developers, experts, advisers, surveyors, planners, furnishers, designers in real estate, immovable and movable properties and for that purpose, acquire, hold mortgage, take on lease, exchange or otherwise acquire, improve, manage, survey, develop, sell, deal, dispose off, turn to account or otherwise deal, prepare, layouts, prepare building sites, and to construct, reconstruct repair, remodel, pulldown, alter, improve, decorate, furnish and maintain, immovable and movable properties other properties, lands, flats, mainsonetts, dwelling houses, shops, offices, markets, commercial complex, theatre, clubs, factories, work shops and other fixtures.”

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date	Particulars
July 2, 1990	The name of the Company was changed from Sea Breeze Constructions and Investments Private Limited to Godrej Properties and Investments Private Limited. A fresh certificate of incorporation subsequent to the name change was granted on July 16, 1990 by the RoC.
February 28, 1991	In the year 1991, the status of the Company was changed to a deemed public company by deletion of the word “private” from the name of the Company
December 2, 1992	Authorised capital changed from 5,000 equity shares of Rs. 100 each to 50,000 equity shares of Rs. 10 each aggregating to Rs. 500,000
January 10, 1994	The authorised share capital of the Company was increased from Rs. 500,000 to Rs. 25,000,000
February 6, 1995	The authorised share capital of the Company was increased from Rs. 25,000,000 to Rs. 100,000,000
August 1, 2001	The status of the Company was changed from that of a deemed public limited company under Section 43A of the Companies Act to a public limited company under section 44 of the Companies Act by a special resolution of the members passed at the extraordinary general meeting held on August 1, 2001. The approval from the RoC was received on September 18, 2001
November 23, 2004	a) Clause III (A) 2 of the memorandum of association was deleted from the main objects of the Company b) Sub - clauses 3 to 47 under clause III of the memorandum of association were renumbered as sub – clauses 2 to 46 c) The object clause of the Company was amended pursuant to Section 18(1) of the Companies Act 1956 by inserting clauses III (C) 47, 48 and 49. The RoC certificate was received on December 10, 2004
November 23, 2004	The name of the Company was changed from Godrej Properties and Investments Limited to Godrej Properties Limited. The approval was received from the RoC for the change of name on December 10, 2004
November 16, 2007	The authorised share capital of the Company was increased from Rs. 100,000,000 to Rs. 1,000,000,000

Changes in the Registered Office

Date	Particulars
June 16, 1987	Our registered office was shifted from 179, Waterfield Road, Bandra, Bombay – 400 050 to Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai – 400 079.
June 1, 2004	Our registered office was shifted from Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai – 400 079 to Godrej Bhavan, 4 th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

Material Agreements

Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited

A share subscription agreement (“Subscription Agreement”) was entered into on March 16, 2006 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Realty Private Limited (“Godrej Realty”) wherein our Company agreed to subscribe to 500,000 equity shares of Godrej Realty (“GPL Subscription Shares”) for an aggregate consideration of Rs. 5,000,000 (“GPL Subscription Amount”) at the rate of Rs. 10 per Equity Share (“GPL Subscription”). Further, the Investor agreed to subscribe to 490,000 equity shares (“Investor Subscription Shares”) for an aggregate consideration of Rs. 4,900,000 (“Investor Subscription Amount”) at the rate of Rs. 10 per equity share (“Investor Subscription”).

The persons nominated by the Investor shall be appointed as directors on the Board of Godrej Realty in accordance with the Shareholders Agreement.

It is agreed between the parties under the Subscription Agreement that the obligation of our Company to subscribe to the Subscription Shares will arise only if all the representation and warranties continue to be correct and true as on completion date.

Under the Subscription Agreement, our Company and Godrej Realty agree to indemnify the Investor, its affiliates, associated entities and their respective directors, officers, representatives, employee, affiliates and agents (“Indemnified Persons”) from and against all claims asserted against or incurred by the Indemnified Persons, with respect to any matter relating to any breach or inaccuracy of any representation, warranty, covenant or agreements made or failure to perform any obligation of our Company or Godrej Realty under or pursuant to this Subscription Agreement.

Shareholders Agreement between our Company and HDFC Ventures Trustee Company Limited in respect of Godrej Realty Private Limited

A Shareholders Agreement (“SHA”) was entered into on March 16, 2006 between our Company and HDFC Ventures Trustee Company Limited in order to regulate their respective relationship in relation to the ownership and management of Godrej Realty Private Limited (“Godrej Realty”) and the terms for the governance, management and control of Godrej Realty.

On the Completion date and upon completion of the Share Subscription, the Parties are entitled to the number of shares as set out below:

Party	Number of Shares	Percentage of total issued shares
Godrej Properties Limited (“Our Company”)	510,000	51
HDFC Ventures Trustee Company Limited (“Investor”)	490,000	49
Total	1,000,000	100

The SHA provides that Godrej Realty will not issue any shares or other securities of the company without the approval of the shareholders by unanimous vote, as long as the Parties hold shares in the proportion set out above. Further, after the occurrence of the second Completion Date, our Company and Investor shall provide additional funding for the business of the Company by subscription to optionally convertible debentures issued by Godrej Realty from time to time. The aggregate amount of debentures to be subscribed to shall be as determined by the Board and shall be in accordance with a determined Business Plan. Such debenture subscription shall be made in terms of one or more subscription agreements or trust deeds as agreed between Godrej Realty, Investor and our Company. The Investor and our Company shall provide equal amounts of capital through subscription to the debentures. The terms and conditions of the debentures shall be as agreed

between the Parties. The cost in relation to the issue of debentures shall be borne by Godrej Realty. No shareholder shall be required to contribute additional funds, extend credit or otherwise make any financial accommodations in relation to Godrej Realty without the express written consent of that shareholder.

Our Company and the Investor shall, till such time that the equity shareholding percentage of the Parties in Godrej Realty remains as per the equity shareholding percentages specified in the table above, appoint/nominate two and one directors respectively. In addition, each shareholder shall be entitled to appoint/nominate one director, each of whom shall be an individual who is not a director, an employee or an officer of the Investor, our Company or their respective Affiliates (“the independent directors”). A shareholder shall be entitled to require the removal or substitution of any director so appointed/nominated by it.

The Board may appoint one director as the Managing Director and may remove the Managing Director or Manager, as the case may be, from office. The first Managing Director/Manager will be the nominee of our Company. Upon increase in the shareholding percentage of the Investor above the level specified, the Managing Director/Manager shall be a Director appointed/nominated by the Investor. Each Director shall be entitled to cast one vote at any Board meeting.

The Chairman of the Board shall be a Director appointed/nominated by our Company. Upon increase in shareholding of Investor above the specified percentage, the Chairman shall be appointed/nominated by the Investor. The initial Chairman will be a representative of our Company. The Chairman will not have a second and casting vote.

The Parties have mutually agreed, with regard to transfer of shares, that till the expiry of three and a half years from the Completion date, the Investor shall not have any right to transfer or sell its shares in the Godrej Realty to another real estate developer (being the competitor to our Company) without the prior written consent of our Company, which shall not be unreasonably withheld. Pursuant to the transfer provisions contained in the SHA, Investor shall be entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” to our Company. Our Company shall be likewise, entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to the Investor and the Investor’s “tag along right”. The “all or none” principle set out above will not apply to a transfer of shares by the Investor pursuant to its “tag along right” or its “drag along rights”. A shareholder can transfer all or any of its shares to an affiliate, provided such affiliate executes a deed of adherence agreeing to be fully bound by the terms of the SHA. However, no shares will be transferred or transmitted to or otherwise registered in the name of an individual. The share certificates must be stamped/imprinted with a legend stating the applicability of the transfer restrictions contained in the SHA.

The SHA also provides for a “right of first refusal” whereby if a shareholder wishes to sell or transfer its shares to a third party (“Transferee”), such shareholder (“the Offeror”), shall first offer such shares (“Offered Shares”) to the other shareholder (“the Offeree”) by a written notice (“Transfer Notice”). The offeree shall have 30 days from the date of receipt of the Transfer Notice (“Acceptance Notice”) to accept the offer with regard to all (and not some) of the Offered Shares by giving written notice to the Offeror, in which case the Offeree shall subscribe to the Offered Shares at the price stated in the Transfer Notice. Such subscription and sale shall be completed within a period of 60 days of the date of receipt by the Offeror of the Acceptance Notice.

Upon receipt of a Transfer Notice, the Investor may, instead of exercising its right of first refusal, exercise a “tag along right”, whereby the Investor shall have the right to require the Offeror to ensure that the Transferee also subscribes to a proportionate number of the Investor’s share (in proportion to the number of Shares then held by them) together with Offeror’s shares. Such rights shall be exercised by the Investor by issuing a written notice (“the Tag Along Notice”) within the Acceptance Period. The Notice shall also specify the number of Investor’s Shares to be subscribed to by the Transferee. On receipt of the Tag Along Notice, the Offeror must ensure that the Transferee also acquires the Investor’s shares specified in the Response Notice for the same consideration and upon the same conditions of sale as applicable to the Offered Share. Such acquisition shall be completed within 60 days of the receipt of the Tag Along Notice. If Offeree fails to issue an acceptance notice during the acceptance period, the Offeror shall be free thereafter to dispose of all of the Offered Shares to the Transferee on the same conditions of sale within a period of 60 days from the expiry of the acceptance period. Investor may, at its discretion, elect to exercise its “right of first refusal” or its “tag along right”.

On the expiry of three and a half years from the Completion Date, and during a period of one year after such expiry, the Investor shall have the right to sell to our Company (and on exercise of such right, our Company shall have the obligation to buy) all of the Investor's shares (the "Put Option") at the Put/Call Notice. At the delivery of the Put Notice, our Company shall subscribe to all and not less than all of the Investor's shares ("Put Shares") and the Investor shall sell such shares at the Put/Call Price. The subscription and sale of the Put Shares shall be completed within 60 days of the receipt of the Put Notice by our Company. The SHA further provides that if our Company commits any event of default or such default occurs in relation to our Company, the Investor shall have the right to exercise the Put Option at the Put Price. If the Investor commits any event of default or such default occurs in relation to the Investor, our Company shall have the right to acquire from the Investor (and on exercise of such right, the Investor shall have the obligation to sell) all of the Investor's shares ("the Call Option") at Call Price.

If however, the Put Option is not exercised within the one year period, the Investor shall have "drag along rights", wherein the Investor shall have the right to call upon our Company and our Company shall be under an obligation to sell their entire shareholding in the Company to a third party identified by the Investor, at the same price at which the Investor seeks to sell its shares to such third party ("the Drag Along Right"). This right cannot be exercised by the Investor for a transfer of shares to its Affiliates. In the event of any default by our Company in completion of the Put Option or the Call Option as the case may be, the Investor shall have the right to exercise the Drag Along Right.

The SHA further provides that the Agreement will terminate upon a party ceasing to be a shareholder in the Company, by mutual agreement of all shareholders, if the Company is wound up by resolution of shareholders or an order of a Court or if the Company is listed on a securities exchange (in India or otherwise).

Debenture Subscription Agreement between HDFC Ventures Trustee Company Limited, Godrej Properties Limited and Godrej Realty Private Limited

A debenture subscription agreement ("Debenture Agreement") was entered on March 16, 2006 between our Company, HDFC Ventures Trustee Company Limited ("Investor") and Godrej Realty Private Limited ("Godrej Realty"), wherein our Company agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each of an aggregate nominal value of Rs. 147.90 million, of Godrej Realty, providing a sum of Rs. 58.65 million as advance. Further, the Investors agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each of an aggregate nominal value of Rs. 142.10 million, providing a sum of Rs. 56.35 million as advance. The Company and Investor shall further provide a sum of Rs. 89.25 and Rs. 85.75 million respectively. Godrej Realty has created a security on its immovable property at Kadi, Gujarat for securing the Debentures and has appointed IL&FS Trust Company Limited to be its Trustee to the said issue.

Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited

A share subscription agreement ("Subscription Agreement") was entered into on July 3, 2007 between our Company, HDFC Ventures Trustee Company Limited ("Investor") and Godrej Waterside Properties Private Limited ("Godrej Waterside") wherein our Company agreed to subscribe to 460,000 equity shares of Godrej Waterside ("GPL Subscription Shares") for an aggregate consideration of Rs. 4,600,000 ("GPL Subscription Amount") at the rate of Rs. 10 per Equity Share ("GPL Subscription"). Further, the Investor agreed to subscribe to 490,000 equity shares ("Investor Subscription Shares") for an aggregate consideration of Rs. 4,900,000 ("Investor Subscription Amount") at the rate of Rs. 10 per equity share ("Investor Subscription").

The persons nominated by the Investor shall be appointed as directors on the Board of Godrej Waterside in accordance with the Shareholders Agreement.

It is agreed between the parties under the Subscription Agreement that the obligation of our Company to subscribe to the Subscription Shares will arise only if all the representation and warranties continue to be correct and true as on completion date.

Under the Subscription Agreement, our Company and Godrej Waterside have agreed to indemnify the Investor,

its affiliates, associated entities and their respective directors, officers, representatives, employee, affiliates and agents (“Indemnified Persons”) from and against all claims asserted against or incurred by the Indemnified Persons, with respect to any matter relating to any breach or inaccuracy of any representation, warranty, covenant or agreements made or failure to perform any obligation of our Company or Godrej Waterside under or pursuant to this Subscription Agreement.

Shareholders Agreement between our Company and HDFC Ventures Trustee Company Limited in respect of Godrej Waterside Properties Private Limited

A Shareholders Agreement (“SHA”) was entered into on July 3, 2007 between our Company and HDFC Ventures Trustee Company Limited in order to regulate their respective relationship in relation to the ownership and management of Godrej Waterside Properties Private Limited (“Godrej Waterside”) and the terms for the governance, management and control of Godrej Waterside.

On the Completion date and upon completion of the Share Subscription, the Parties are entitled to the number of shares as set out below:

Party	Number of Shares	Percentage of total issued shares
Godrej Properties Limited (“Our Company”)	510,000	51
HDFC Ventures Trustee Company Limited (“Investor”)	490,000	49
Total	1,000,000	100

The SHA provides that Godrej Waterside will not issue any shares or other securities of the company without the approval of the shareholders by unanimous vote, as long as the Parties hold shares in the proportion set out above. Further, after the occurrence of the second Completion Date, our Company and Investor shall provide additional funding for the business of the Company by subscription to optionally convertible debentures issued by Godrej Waterside from time to time. The aggregate amount of debentures to be subscribed to shall be as determined by the Board and shall be in accordance with a determined Business Plan. Such debenture subscription shall be made in terms of one or more subscription agreements or trust deeds as agreed between Godrej Waterside, Investor and our Company. The Investor and our Company shall provide equal amounts of capital through subscription to the debentures. The terms and conditions of the debentures shall be as agreed between the Parties. The cost in relation to the issue of debentures shall be borne by Godrej Waterside. No shareholder shall be required to contribute additional funds, extend credit or otherwise made any financial accommodations in relation to Godrej Waterside without the express written consent of that shareholder.

Our Company and Investor shall till such time that the equity shareholding percentage of the Parties in Godrej Waterside remains as per the equity shareholding percentages specified in the table above, appoint/nominate two and one directors respectively. In addition, each shareholder shall be entitled to appoint/nominate one director, each of whom shall be an individual who is not a director, an employee or an officer of the Investor, our Company or their respective Affiliates (“the independent directors”). A shareholder shall be entitled to require the removal or substitution of any director so appointed/nominated by it.

The Board may appoint one director as the Managing Director or manager and may remove the Managing Director or Manager, as the case may be, from office. The first Managing Director/Manager will be the nominee of our Company. Upon increase in the shareholding percentage of the Investor above the level specified, the Managing Director/Manager shall be a Director appointed/nominated by the Investor. Each Director shall be entitled to cast one vote at any Board meeting.

The Chairman of the Board shall be a Director appointed/nominated by our Company. Upon increase in shareholding of Investor above the specified percentage, the Chairman shall be a Director appointed/nominated by the Investor. The initial Chairman will be a representative of our Company. The Chairman will not have a second and casting vote.

The Parties have mutually agreed, with regard to transfer of shares, that till the expiry of three and a half years from the Completion date, the Investor shall not have any right to transfer or sell its shares in Godrej Waterside to another real estate developer (being the competitor to our Company) without the prior written consent of our Company, which shall not be unreasonably withheld. Pursuant to the transfer provisions contained in the SHA, Investor shall be entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to our Company. Our Company shall be likewise, entitled to transfer all (but not less than all) the shares held by them to any person subject to the “right of first refusal” granted to the Investor and the Investor’s “tag along right”. The “all or none” principle set out above will not apply to a transfer of shares by the Investor pursuant to its “tag along right” or its “drag along rights”. A shareholder can transfer all or any of its shares to an affiliate, provided such affiliates executes a deed of adherence agreeing to be fully bound by the terms of the SHA. However, no shares will be transferred or transmitted to or otherwise registered in the name of an individual. The share certificates must be stamped/imprinted with a legend stating the applicability of the transfer restrictions contained in the SHA.

The SHA also provides for a “right of first refusal” whereby if a shareholder wishes to sell or transfer its shares to a third party (“Transferee”), such shareholder (“the Offeror”), shall first offer such shares (“Offered Shares”) to the other shareholder (“the Offeree”) by a written notice (“Transfer Notice”). The offeree shall have 30 days from the date of receipt of the Transfer Notice (“Acceptance Notice”) to accept the offer with regard to all (and not some) of the Offered Shares by giving written notice to the Offeror, in which case the Offeree shall subscribe to the Offered Shares at the price stated in the Transfer Notice. Such subscription and sale shall be completed within a period of 60 days of the date of receipt by the Offeror of the Acceptance Notice.

Upon receipt of a Transfer Notice, the Investor may, instead of exercising its right of first refusal, exercise a “tag along right”, whereby the Investor shall have the right to require the Offeror to ensure that the Transferee also subscribes to a proportionate number of the Investor’s share (in proportion to the number of Shares then held by them) together with Offeror’s shares. Such rights shall be exercised by the Investor by issuing a written notice (“the Tag Along Notice”) within the Acceptance Period. The Notice shall also specify the number of Investor’s Shares to be subscribed to by the Transferee. On receipt of the Tag Along Notice, the Offeror must ensure that the Transferee also acquires the Investor’s shares specified in the Response Notice for the same consideration and upon the same conditions of sale as applicable to the Offered Share. Such acquisition shall be completed within 60 days of the receipt of the Tag Along Notice. If Offeree fails to issue an acceptance notice during the acceptance period, the Offeror shall be free thereafter to dispose of all of the Offered Shares to the Transferee on the same conditions of sale within a period of 60 days from the expiry of the acceptance period. Investor may, at its discretion, elect to exercise its “right of first refusal” or its “tag along right”.

On the expiry of three and a half years from the Completion Date, and during a period of one year after such expiry, the Investor shall have the right to sell to our Company (and on exercise of such right, our Company shall have the obligation to buy) all of the Investor’s shares (the “Put Option”) at the Put/Call Notice. At the delivery of the Put Notice, our Company shall subscribe to all and not less than all of the Investor’s shares (“Put Shares”) and the Investor shall sell such shares at the Put/Call Price. The subscription and sale of the Put Shares shall be completed within 60 days of the receipt of the Put Notice by our Company. The SHA further provides that if our Company commits any event of default or such default occurs in relation to our Company, the Investor shall have the right exercise the Put Option at the Put Price. If the Investor commits any event of default or such default occurs in relation to the Investor, our Company shall have the right to acquire from the Investor (and on exercise of such right, the Investor shall have the obligation to sell) all of the Investor’s shares (“the Call Option”) at Call Price.

If however, the Put Option is not exercised within the one year period, the Investor shall have “drag along rights”, wherein the Investor shall have the right to call upon our Company and our Company shall be under an obligation to sell their entire shareholding in the Company to a third party identified by the Investor, at the same price at which the Investor seeks to sell its shares to such third party (“the Drag Along Right”). This right cannot be exercised by the Investor for a transfer of shares to its Affiliates. In the event of any default by our Company in completion of the Put Option or the Call Option as the case may be, the Investor shall have the right to exercise the Drag Along Right.

The SHA further provides that the Agreement will terminate upon a party ceasing to be a shareholder in the

Company, by mutual agreement of all shareholders, if the Company is wound up by resolution of shareholders or an order of a Court or if the Company is listed on a securities exchange (in India or otherwise).

Debenture Subscription Agreement between HDFC Ventures Trustee Company Limited, Godrej Properties Limited and Godrej Waterside Properties Private Limited

A debenture subscription agreement (“Debenture Agreement”) was entered on July 13, 2007 between our Company, HDFC Ventures Trustee Company Limited (“Investor”) and Godrej Waterside Properties Private Limited (“Godrej Waterside”), wherein our Company agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each for an aggregate nominal value of Rs. 14,79,00,000, of Godrej Waterside,. Further, the Investors agreed to subscribe to secured redeemable optionally convertible debentures of Rs. 10 each, for an aggregate nominal value of Rs. 142.10 million. Godrej Waterside has created a security on its immovable property at Kadi, Gujarat for securing the Debentures and has appointed IL&FS Trust Company Limited to be its Trustee to the said issue.

Share Purchase Agreement in respect of Happy Highrises Limited

A Share Purchase Agreement (“SPA”) was entered into on July 18, 2007 between Gulmohar Trading Private Limited, Loreto Trading and Finance Company Limited, Chemo Traders Private Limited, Hotahoti Wood Products Limited, Purbanchal Prestressed Limited, PDJ Export Private Limited and Gancoiss India Private Limited (collectively referred to as the “Vendors”), Happy Highrises Limited and our Company.

As mentioned in the SPA, Happy Highrises Limited carries on the business of investments in real estate and as a real estate promoter and developer. The Vendors at the time of entering the agreement held 203,120 equity shares representing 100% of the issued capital of Happy Highrises Limited.

As per provisions of Sick Textiles Undertaking (Nationalisation) Act, 1974, a textile company named Bangasree Cotton Mills was transferred to and/or vested in the Central Government on and from April 1, 1974 alongwith land admeasuring an area of 26.71 acres (the “said land”). The Central Government transferred the ownership of Bangasree Cotton Mills and the said land to National Textile Corporation (West Bengal, Assam, Bihar and Orissa) Limited (“NTC”). NTC floated a tender dated January 19, 2007 for sale of the said land to which Happy Highrises Limited submitted its bid on February 20, 2007 for a sum of approximately Rs. 610 million and the same was accepted by NTC. Pursuant to acceptance of its bid, Happy Highrises Limited paid a sum of Rs. 152.50 million as earnest money and was liable to pay the balance consideration by of Rs. 457.50 to NTC by May 20, 2007. Thereafter, NTC allowed Happy Highrises Limited to pay the balance consideration on or before July 19, 2007 alongwith interest of approximately Rs. 12.39 million.

The Vendors, by way of the SPA, agreed to sell 203,120 equity shares held by them being the entire shareholding of Happy Highrises Limited. As per the terms of the SPA, our Company shall pay to the Vendors a consideration of Rs. 680 million for payment or discharge of the following liabilities:

- a) a sum of Rs. 457.50 million to be paid to NTC towards payment of the balance consideration payable for purchase of the said land;
- b) a sum of approximately Rs. 12.39 million to be paid to NTC towards payment of interest on delayed payment of the balance consideration payable for purchase of the said land;
- c) a sum of approximately Rs. 49.41 million being the stamp duty and registration charges payable on the transfer of the said land by NTC in favour of Happy Highrises Limited;
- d) a sum of approximately Rs. 159.78 million towards payment and discharge of the unsecured loans and advances made to Happy Highrises Limited by North Eastern Publishing and Advertising Company Limited.

Pursuant to the receipt of consideration as mentioned above, the Vendors shall forward a cheque of Rs. 300 million to M/s. Victor Moses & Co., Solicitors and Advocates, who shall hold the same in escrow until the building permit for the proposed project on the said land is obtained in the name of Happy Highrises Limited from Panihati Municipality which will be the responsibility of the Vendors.

Upon execution of the SPA and upon the transfer of shares, the entire control of Happy Highrises Limited would vest with our Company and the Vendors shall not in any way interfere with the same. Further, the Vendors and Happy Highrises Limited and, if required, our Company shall convene a meeting of the Board of Directors of Happy Highrises Limited where the following shall take place:

- i) Transfer of shares sold to our Company as per the SPA;
- ii) Appointment of directors of Happy Highrises Limited as nominated by our Company in place of the existing directors;
- iii) Existing bank mandates given by Happy Highrises Limited to be cancelled and substituted by those in favour of persons nominated by our Company;
- iv) Resolution to be passed for change of registered office of Happy Highrises Limited;
- v) Change the existing statutory auditors of Happy Highrises Limited;
- vi) Resignation of the existing directors to be accepted.

In the event, the permissions and/or sanctions and/or approvals which are required for the purpose of obtaining sanction of plan for the proposed project on the said lands is not granted within one year from the date of the SPA, our Company shall be entitled to exit from the proposed project on the said lands. Happy Highrises Limited shall be entitled to obtain conveyance in respect of the said land from NTC without any objection by the Vendors. Upon execution of the conveyance, Happy Highrises Limited shall apply for and obtain necessary permission and/or sanctions and/or approvals for sanction of plan for construction of the proposed project. The Vendors shall obtain such permissions and/or sanction and/or approvals from the said authority or authorities. It shall be the responsibility of the Vendors to obtain the building permit from Panihati Municipality and to obtain such permissions and/or sanctions and/or approvals from the said authority or authorities.

Trademark License Agreement

The Company has entered into a Trademark License Agreement with Godrej Industries Limited dated May 27, 2008 pursuant to which Godrej Industries Limited has granted a non-exclusive license to the Company and its subsidiaries to use the registered trademark “Godrej” and the “Godrej logo”. As consideration for the license granted by Godrej Industries Limited, the Company shall pay a royalty of 0.5% per annum of the gross turnover of the Company, which shall be paid annually, within two months of the close of each financial year. The agreement is valid for a period of 5 years from the date of the agreement as mentioned above. The terms of the agreement and the license granted thereunder shall subsist until Godrej Industries Limited holds 26% of the total issued equity share capital of the Company.

Letter from Godrej Industries Limited to the Company in relation to the proposed “Tri-Partite Advertising Agreement”

Godrej Industries Limited has by its letter dated May 28, 2008 requested our Company to make the payment for an amount of Rs. 42.33 million pursuant to the advertising benefits availed by our Company in relation to the DLF Indian Premier League under the Tripartite Agreement proposed to be entered between MSM Satellite (Singapore) Pte Limited (“MSM”), its agent, Madison Communications Private Limited (“Madison”) and the Godrej group of companies. The payment has been calculated in accordance with the Company’s allocated share of expenses in proportion to its advertising spots. It is further stated in the letter that the Company is required to directly make the payment, including any further additions, to Madison Communications Private Limited.

Our Subsidiaries

1. Godrej Realty Private Limited (GRPL)

GRPL was incorporated under the Companies Act on June 27, 2005 as Casablanca Properties Private Limited. Its name was changed to Godrej Realty Private Limited with effect from January 25, 2006. The registered office of GRPL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

GRPL became a subsidiary of our Company, with effect from January 31, 2006 when 10,000 equity shares were acquired by our Company, including one share acquired jointly with Mr. Milind S. Korde, aggregating to 100% of the paid up capital of GRPL. Further, 500,000 equity shares were allotted to our Company on March 16, 2006.

GRPL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of GRPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	510,000	51.00
HDFC Ventures Trustee Company Limited	490,000	49.00
Total	1,000,000	100.00

**Includes one share held jointly with Mr. Milind S. Korde*

Board of Directors

The Board of Directors of GRPL as of March 31, 2008 comprises:

1. Mr. Pirojsha A. Godrej;
2. Mr. Milind S. Korde; and
3. Mr. Naresh Nadkarni.

Financial Information

Particulars	(In Million except per share data)		
	Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	10.00	10.00	10.00
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	1.53	1.03	0.08
Profit/ (loss) after tax	(0.96)	(1.14)	-
Earning per share (EPS)	(0.96)	(1.14)	-
Net asset value per share (NAV)	7.90	8.86	10.00

The equity shares of GRPL are not listed on any stock exchange. Further, GRPL is not a sick company within the meaning of the SICA and is not under winding up.

2. Godrej Waterside Properties Private Limited (GWPPL)

GWPPL was incorporated under the Companies Act on June 27, 2005 as Bridgestone Properties Private Limited. Its name was changed to Godrej Waterside Properties Private Limited with effect from January 26, 2006. The registered office of GWPPL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

GWPPL became a subsidiary of our Company, with effect from January 31, 2006 when 10,000 equity shares were acquired by our Company, including one share acquired jointly with Mr. Milind S. Korde, aggregating to 100% of the paid up capital of GWPPL. Further, 40,000 equity shares were allotted to our Company on March 31, 2006 and 4,60,000 equity shares were allotted to our Company on August 14, 2007.

GWPPL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of GWPPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	510,000	51.00
HDFC Venture Trustee Company Limited	490,000	49.00
Total	1,000,000	100.00

**Includes one share held jointly with Mr. Milind S. Korde*

Board of Directors

The Board of Directors of GWPPL as of March 31, 2008 comprises:

1. Mr. Pirojsha A. Godrej;
2. Mr. Milind S. Korde;
3. Mr. K. T. Jithendran; and
4. Mr. Naresh Nadkarni

Financial Information

Particulars	<i>(Rs. in million except per share data)</i> Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	10.00	0.50	0.50
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	3.02	0.39	-
Profit/ (loss) after tax	(1.56)	(1.85)	-
Earning per share (EPS)	(2.40)	(37.04)	-
Net asset value per share (NAV)	6.59	(27.04)	10.00

The equity shares of GWPPL are not listed on any stock exchange. Further, GWPPL is not a sick company within the meaning of the SICA and is not under winding up.

3. Godrej Developers Private Limited (GDPL)

GDPL was incorporated under the Companies Act on March 15, 2007. The registered office of GDPL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

GDPL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of equity shares of GDPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

The shareholding pattern of preference shares of GDPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Preference Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	10,000	100.00
Total	10,000	100.00

Board of Directors

The Board of Directors of GDPL as of March 31, 2008 comprises:

1. Mr. Milind S. Korde; and
2. Mr. K. T. Jithendran.

Financial Information

(Rs. in million except per share data)

Particulars	Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	0.50	0.50	-
Paid up Preference Share Capital	0.10	-	-
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	-	-	-
Profit/ (loss) after tax	-*	(0.03)	-
Earning per share (EPS)	(0.04)	(0.52)	-
Net asset value per share (NAV)	9.15	9.15	-

*The amount involved is less than Rs. 0.01 million

The equity shares of GDPL are not listed on any stock exchange. Further, GDPL is not a sick company within the meaning of the SICA and is not under winding up.

4. Godrej Real Estate Private Limited (GREPL)

GREPL was incorporated under the Companies Act on March 15, 2007. The registered office of GREPL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

GREPL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of GREPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

Board of Directors

The Board of Directors of GREPL as of March 31, 2008 comprises:

1. Mr. Milind S. Korde; and
2. Mr. K. T. Jithendran.

Financial Information

Particulars	(Rs. in million except per share data)		
	Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	0.50	0.50	-
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	-	-	-
Profit/ (loss) after tax	(0.02)	(0.03)	-
Earning per share (EPS)	(0.31)	(0.52)	-
Net asset value per share (NAV)	8.87	9.15	-

The equity shares of GREPL are not listed on any stock exchange. Further, GREPL is not a sick company within the meaning of the SICA and is not under winding up.

5. Godrej Sea View Properties Private Limited (GSVPPL)

GSVPPL was incorporated under the Companies Act on March 14, 2007. The registered office of GSVPPL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

GSVPPL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of GSVPPL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited	49,999	100.00
Mr. Adi B. Godrej	1	0.00
Total	50,000	100.00

Board of Directors

The Board of Directors of GSVPPL as of March 31, 2008 comprises:

1. Mr. Milind S. Korde; and
2. Mr. K. T. Jithendran.

Financial Information

Particulars	(Rs. in million except per share data)		
	Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	0.50	0.50	-
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	-	-	-
Profit/ (loss) after tax	(0.04)	(0.30)	-
Earning per share (EPS)	(0.80)	(0.52)	-
Net assets value per share (NAV)	8.38	9.15	-

The equity shares of GSVPPL are not listed on any stock exchange. Further, GSVPPL is not a sick company within the meaning of the SICA and is not under winding up.

6. Happy Highrises Limited (HHL)

HHL was incorporated under the Companies Act on May 14, 1993 as Mrinal Agencies Private Limited. Its name was changed to Happy Highrises Private Limited on September 3, 2002 and to HHL as January 24, 2003. The registered office of HHL is located at Godrej Bhavan, 4th Floor, 4A, Home Street, Fort, Mumbai – 400 001.

HHL became a subsidiary of our Company, with effect from July 18, 2007 when 203,120 equity shares were acquired by our Company, including six shares acquired jointly with below mentioned individuals, aggregating to 100% of the paid up capital of HHL.

HHL is engaged in the business of real estate.

Shareholding Pattern

The shareholding pattern of HHL as of March 31, 2008 is as follows:

Name of Shareholders	No. of Equity Shares (face value Rs. 10 each)	Percentage Shareholding
Godrej Properties Limited*	203,120	100.00
Total	203,120	100.00

**Includes 6 shares held jointly with 6 individuals i.e. Mr. Milind S. Korde, Mr. K. T. Jithendran, Mr. Nitin M. Wagle, Mr. Shodhan A. Kembhavi, Mr. Rajendra Khetawat and Mr. K. P. Sudheer*

Board of Directors

The Board of Directors of HHL as of March 31, 2008 comprises:

1. Mr. Milind S. Korde;
2. Mr. K. T. Jithendran; and
3. Mr. Rajendra Khetawat.

Financial Information

Particulars	<i>(Rs. in million except per share data)</i> Year ended March 31,		
	2008	2007	2006
Paid up Equity Share Capital	2.03	2.03	2.03
Reserve and surplus (excluding revaluation reserves)	-	-	-
Sales and other income	0.15	*	-
Profit/ (loss) after tax	0.01	(0.01)	(0.01)
Earning per share (EPS)	(0.07)	(0.03)	(0.07)
Net asset value per share (NAV)	9.73	9.64	9.67

*The amount involved is less than Rs. 0.01 million

The equity shares of HHL are not listed on any stock exchange. Further, HHL is not a sick company within the meaning of the SICA and is not under winding up.

OUR MANAGEMENT

Under our Articles of Association we cannot have fewer than three directors and more than twelve directors. We currently have ten directors on our Board.

The following table sets forth details regarding our Board as of the date of filing the Draft Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
Mr. Adi B. Godrej <i>Chairman (Non-Executive)</i> s/o Dr. B. P. Godrej Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006 Date of Appointment: April 25, 1990 Term: Liable to retire by rotation DIN: 00065964 Industrialist	66	Indian	<i>Public Companies :</i> • Godrej Consumer Products Limited • Wadala Commodities Limited • Godrej Industries Limited • Godrej Sara Lee Limited • Godrej Hicare Limited • Swadeshi Detergents Limited • Vora Soaps Limited • Godrej Hershey Limited • Godrej & Boyce Manufacturing Company Limited • Godrej Agrovat Limited • Godrej SCA Hygiene Limited • Nutrine Confectionery Company Limited <i>Private Companies:</i> • Godrej Investments Private Limited <i>Foreign Companies:</i> • Godrej International Limited • Godrej Global Mideast FZE • Godrej Consumer Products (UK) Limited • Keyline Brands Limited • Rapidol (Pty) Limited • Godrej Consumer Products Mauritius Limited • Godrej Kinky Holdings Limited <i>Others:</i> • The Indian School of Business (Member of Executive Board)
Mr. Jamshyd N. Godrej <i>Director (Non-Executive)</i> s/o Mr. N. P. Godrej 40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006 Date of Appointment:	59	Indian	<i>Public Companies:</i> • Godrej Consumer Products Limited • Geometric Limited • Bajaj Auto Limited • Haldia Petrochemicals Limited • Wadala Commodities Limited • Godrej Industries Limited • Godrej Agrovat Limited • Bombay Stock Exchange Limited • Godrej Sara Lee Limited • Godrej & Boyce Manufacturing

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
April, 25, 1990			Company Limited
Term: Liable to retire by rotation			• Lawkim Limited • Antrix Corporation limited
DIN: 00076250			Private Companies:
Industrialist			• Godrej Investments Private Limited • Illinois Institute of Technology (India) Private Limited • Tata Trustee Company Private Limited
			Section 25 Companies:
			• Breach Candy Hospital Trust • Singapore-India Partnership Foundation • Great Lakes Institute of Management
			Foreign Companies:
			• Godrej (Malaysia) Sdn. Bhd. • Godrej (Singapore) Pte Limited • Godrej (Vietnam) Company Limited • Godrej & Khimji (Middle East) LLC
Mr. Nadir B. Godrej <i>Director (Non-Executive)</i> s/o Dr. B. P. Godrej	56	Indian	Public Companies:
40-D, The Trees, B. G. Kher Marg, Malabar Hill, Mumbai – 400 006			• Godrej Industries Limited • Godrej Consumer Products Limited • Mahindra & Mahindra Limited • Godrej Agrovat Limited • Goldmohur Foods and Feeds Limited • Godrej & Boyce Manufacturing Company Limited • Godrej Gold Coin Aquafeed Limited • Godrej Sara Lee Limited • KarROX Technologies Limited • Godrej Global Solutions Limited • Tata Teleservices (Maharashtra) Limited • Avesthagen Limited
Date of Appointment: April 25, 1990			Foreign Companies:
Term: Liable to retire by rotation			• Keyline Brands Limited • Godrej International Limited • Compass BPO Limited • ACI Godrej Agrovat Private Limited, Bangladesh • CBay Systems Holdings Limited • Godrej Global Mid East FZE • Rapidol (Pty) Limited • Boston Analytic LLC
DIN: 00066195			
Industrialist			

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
			Section 25 Companies:
			Poultry Processors' Association of India
Ms. Parmeshwar A. Godrej <i>Director (Non-Executive)</i> w/o Mr. Adi B. Godrej	63	Indian	Private Companies:
			Indian Hotels and Health Resorts Private Limited
			Others:
			- Gates Foundation - Avahan (Board Member) - The Gere Foundation (Board Member) - Cine Blitz Publications (Board Member) - The American India Foundation (Member – India Advisory Board) - The Palace School, Jaipur (Board Member)
Aashraye, Godrej House, 67 H, Walkeshwar Road, Mumbai – 400 006			
Date of Appointment: November 30, 1989			
Term: Liable to retire by rotation			
DIN: 00432572			
Company Director			
Mr. Milind S. Korde <i>Managing Director</i> s/o Mr. Surendra Korde	44	Indian	Public Companies:
			- Tahir Properties Limited - Girikandra Holiday Homes & Resorts Limited - Happy Highrises Limited
			Private Companies:
			- Godrej Realty Private Limited - Godrej Waterside Properties Private Limited - Godrej Real Estate Private Limited - Godrej Sea View Properties Private Limited - Godrej Developers Private Limited
302 Hira Baug, Plot No. 254, Telang Road, Matunga, Mumbai – 400 019			
Date of Appointment: May 1, 2003			
Term: April 1, 2006 to March 31, 2009			
DIN: 00434791			
Service			
Mr. Amit B. Choudhury <i>Independent Director</i> s/o Mr. Biren Choudhury C-304, Golden Oak CHS. Hirandani Gardens, Powai, Mumbai – 400 076	65	Indian	Public Companies:
			- Swadeshi Detergents Limited - Vora Soaps Limited - Godrej Agrovet Limited - Wadala Commodities Limited

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
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Date of Appointment:
May 1, 2003

Term: Liable to retire by rotation

DIN: 00557547

Company Director

Mr. Keki B. Dadiseth <i>Independent Director</i> s/o Mr. Bomi Khurshed Dadiseth 8A Manek, L. D. Ruparel Marg, Malabar Hill, Mumbai – 400 006 Date of Appointment: January 16, 2008 Term: Liable to retire by rotation DIN: 00052165 Company Director	62	Indian	Public Companies: • Britannia Industries Limited • ICICI Prudential Life Insurance Company Limited • Nicholas Piramal India Limited • ICICI Prudential Trust Limited • Siemens Limited • The Indian Hotels Company Limited Private Companies: • Omnicom India Marketing Advisory Services Private Limited Foreign Companies: • Goldman Sachs (International Advisor) • Marsh & McLennan Companies Inc. (Member, International Advisory Board) • Prudential PLC Others: • Breach Candy Hospital Trust (Member, Managing Committee and Finance Committee) • Indian School of Business (Member Executive Board) • Sir Ratan Tata Trust • Bai Hirabai J. N. Tata Navsari Charitable Institution
Mrs. Lalita D. Gupte <i>Independent Director</i> w/o Mr. Dileep M. Gupte Mhaskar Building, 153 – C, Sir Bhalchandra Road, Matunga, Mumbai – 400 019	59	Indian	Public Companies: • ICICI Venture Funds Management Company Limited • Bharat Forge Limited • Firstsource Solutions Limited • Kirloskar Brothers Limited • Nokia Corporation • HPCL-Mittal Energy Limited • Swadhaar FinAccess Others:

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
Date of Appointment: January 16, 2008 Term: Liable to retire by rotation DIN: 00043559 Banker/Financial Expert			- NM Rothschild & Sons (India) Private Limited (Member of Indian Advisory Council) - SVKM's NMIMS University (Member, Board of Management) - Joseph L Rotman School of Management (Member, Dean's Advisory Board) - Welham Girls' School (Member, Board of Governors) - National Institute of Industrial Engineering (NITIE) (Member, Board of Governors) - RAND Centre for Asia Pacific Policy (Member, Advisory Board)
Mr. Pranay Vakil <i>Independent Director</i> s/o Mr. Dhansukhlal Vakil 701, A Wing, Olympus Apartments 5C, Altamount Road, Mumbai – 400 026 Date of Appointment: January 16, 2008 Term: Liable to retire by rotation DIN: 00433379 Company Director	61	Indian	Private Companies: - Knight Frank (India) Private Limited - Praron Consultancy (India) Private Limited
Dr. Pritam Singh <i>Independent Director</i> s/o Late Mr. R.D. Singh H.No. A-2/14, PWO Complex, Plot No. 1A, Sector 43, Gurgaon - 122 001, Haryana Date of Appointment: January 16, 2008 Term: Liable to retire by rotation	66	Indian	Public Companies: - Hero Honda Motors Limited - Dish TV India Limited - The Delhi Stock Exchange Association Limited Others: - Local board of the Reserve Bank of India

Name, Designation, Father's Name, Address and Term	Age (Years)	Nationality	Other Directorships
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DIN: 00057377

Professor

Brief Profile of the Directors

Mr. Adi B. Godrej, 66 years, has been a Director of our Company since 1990 and is the Chairman of our Company. He holds a Bachelor and Masters degree from the Massachusetts Institute of Technology, U.S.A. Mr. Godrej is the Chairman of the Godrej group. He is Chairman of Godrej Consumer Products Limited, Godrej Industries Limited, Godrej Sara Lee Limited and Godrej Hershey Limited. Mr. Godrej is a director of numerous companies, including Godrej & Boyce Manufacturing Company Limited and Godrej Agrovet Limited. He also serves as a member of the executive board of the Indian School of Business.

Mr. Jamshyd N. Godrej, 59 years, has been a Director of our Company since 1990. He holds a Bachelor of Science from the Illinois Institute of Technology, U.S.A. He joined the board of management of Godrej & Boyce Manufacturing Company Limited as a director in 1974, became managing director in 1991 and chairman of the board in 2000. Mr. Jamshyd N. Godrej is the President of World Wide Fund for Nature, India and the former President of Confederation of Indian Industry and the Indian Machine Tool Manufacturers' Association.

Mr. Nadir B. Godrej, 56 years, has been a Director of our Company since 1990. He holds a Bachelor of Science degree in chemical engineering from the Massachusetts Institute of Technology, U.S.A., a Master of Science degree in chemical engineering from Stanford University, U.S.A. and a Master of Business Administration degree from Harvard Business School, USA. Mr. Nadir B. Godrej is the chairman of Godrej Agrovet Limited. He is the Managing Director of Godrej Industries Limited and director in numerous companies.

Ms. Parmeshwar A. Godrej, 63 years, has been a Director of our Company since 1989. Mrs. Godrej serves on the board of the American India Foundation, the Palace School in Jaipur and Indian Hotels and Health Resorts Private Limited.

Mr. Milind S. Korde, 44 years, has been the Managing Director of our Company since 2003. He is a law graduate and holds a Bachelor of Science degree. He is also an Associate Member of the Institute of Company Secretaries of India. He started his career with Tata Housing and Development Company and joined Godrej Properties Limited in 1990 in the year of its inception. He has over 18 years of experience in real estate development and has handled diverse portfolios like legal, marketing, commercial, secretarial and business development in the Company before being appointed as the Managing Director of the Company.

Mr. Amit B. Choudhury, 65 years, has been a Independent Director of our Company since 2003. He holds a Masters degree in Economics and Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies. Mr. Choudhury serves on the board of Swadeshi Detergents Limited, Vora Soaps Limited, Godrej Agrovet Limited and Wadala Commodities Limited.

Mr. Keki B. Dadiseth, 62 years, is an Independent Director of our Company since January 16, 2008. He is a Fellow of the Institute of Chartered Accountants of England & Wales. He joined Hindustan Lever Limited in India in 1973. His tenure in the company included a three-year secondment to Unilever PLC in London from 1984 to 1987 and in 1987, Mr. Dadiseth joined the board of Hindustan Lever Limited, until he became Chairman in 1996. He was appointed as Director on the board of Unilever PLC and Unilever NV in May 2000 and a Member of the Executive Committee. He retired from Unilever in May 2005. Mr. Dadiseth is closely associated with various industry, educational, management and medical bodies and is currently on the Boards of The Indian Hotels Company Limited, Britannia Industries, Nicholas Piramal, Siemens, ICICI Prudential Life

Insurance and ICICI Prudential Trust. He is also a Director on the Board of the Indian School of Business. He is a Member of the International Advisory Board of Marsh & McLennan Companies Inc., a Non-Executive Director of Prudential PLC, Non-Executive Chairman of Omnicom India and International Advisor to Goldman Sachs. He is a Trustee of the Ratan Tata Trust and a Member of the Managing Committee, Breach Candy Hospital Trust.

Mrs. Lalita D. Gupte, 59 years, is an Independent Director of our Company since January 16, 2008. She holds a Bachelor's Degree in Economics and a Master's Degree in Business Management. Mrs. Gupte is currently the Chairperson of ICICI Venture Funds Management Company Limited. In October 2006 she retired as Joint Managing Director and Member of the Board of ICICI Bank Limited. Mrs. Gupte is on board of several companies and educational institutions and has received several awards and recognitions such as the Astitva Award for Lifetime Achievement (2007), the Kesari Gaurav Sanman Award (2007) for significant contribution in the field of banking, the Economic Times award for corporate excellence for business woman of the year in 2004 – 2005, among others.

Mr. Pranay Vakil, 61 years, is an Independent Director of our Company since January 16, 2008. Mr. Vakil is a Chartered Accountant and a law graduate by qualification. Mr. Vakil is presently the Chairman of Knight Frank in India. Till October 2001, Mr. Vakil was the Managing Director of Gesco Corporation Limited and prior to that, worked as the Executive Director with Raychem for a period of five years. He is the co-Chairman of Federation of Indian Chambers of Commerce and Industry (FICCI) Real Estate Committee.

Dr. Pritam Singh, 66 years, is an Independent Director of our Company since January 16, 2008. He holds a Masters degree in Commerce from Benares Hindu University, a Masters degree in Business Administration from Indiana University, Bloomington, Indiana, USA and a PhD from Benares Hindu University. Dr. Singh is the author of seven academically reputed books and published over 50 research papers. During his tenure as director he developed, for Indian Institute of Management at Lucknow and Management Development Institute, collaborations across the world and signed several MoUs with American, European, Australian and Asian Management Schools. Currently he is on the board of The Delhi Stock Exchange Association Limited, Hero Honda Motors Limited, Dish T. V. India Limited and also a member on the local board of the Reserve Bank of India. He has been conferred the Padam Shri in 2003 and has been also conferred many prestigious management awards such as UP Ratna Award (2001) and Best Director Award of Indian Management Schools (1998).

Relationship between our Directors

The details of relationship between our Directors are as follows:

S. No	Name of the Director	Related to	Nature of Relationship
1.	Mr. Adi. B. Godrej	Mr. Jamshyd N. Godrej	Brother
		Mr. Nadir B. Godrej	Brother
		Ms. Parmeshwar A. Godrej	Husband
2.	Mr. Jamshyd N. Godrej	Mr. Adi. B. Godrej	Brother
		Mr. Nadir B. Godrej	Brother
		Ms. Parmeshwar A. Godrej	Brother-in-law
3.	Mr. Nadir B. Godrej	Mr. Adi. B. Godrej	Brother
		Mr. Jamshyd N. Godrej	Brother
		Ms. Parmeshwar A. Godrej	Brother-in-law
4.	Ms. Parmeshwar A. Godrej	Mr. Adi. B. Godrej	Wife
		Mr. Jamshyd N. Godrej	Sister-in-law
		Mr. Nadir B. Godrej	Sister-in-law

Borrowing Powers of our Board

Our Articles, subject to the provisions of the Companies Act authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Our shareholders have, pursuant to a resolution passed at the EGM dated November 16, 2007 authorised our Board to borrow monies together with

monies already borrowed by us, not exceeding Rs. 15,000 million.

Details of Appointment of the Managing Director

Name	Contract / Appointment Letter / Resolution	Term
Mr. Milind S. Korde	At a meeting of the Board held on May 10, 2006, Mr. Milind S. Korde was reappointed as the Managing Director of the Company. An agreement dated July 17, 2006 was entered into between the Company and Mr. Milind S. Korde appointing him as the Managing Director of the Company.	April 1, 2006 to March 31, 2009

Details of Remuneration of the Directors

Executive Directors:

In terms of the agreement dated July 17, 2006, Mr. Milind S. Korde is entitled to receive the following remuneration:

i) Fixed Compensation

Fixed compensation shall include basic salary and the Company's contribution to provident fund and gratuity fund. The basic salary is in the range of Rs. 170,000 to Rs. 500,000 per month.

ii) Performance Linked Variable Remuneration

Performance linked variable remuneration shall be payable according to the scheme of the Company for each of the financial years as may be decided by the remuneration committee/Board of the Company.

iii) Flexible Compensation

In addition to the Fixed compensation and performance linked variable remuneration, Mr. Milind S. Korde is entitled to allowances, perquisites, benefits, facilities and amenities upto a maximum of Rs. 2,500,000 plus 63.33% of the annual basic salary, in accordance with the rules of the Company and subject to the relevant provisions of the Companies Act, 1956.

In the meeting of the remuneration committee held on May 23, 2007 the remuneration payable to Mr. Milind S. Korde was revised as follows:

1.	Salary	Rs.320000/- p.m.
2.	House Rent Allowance	Rs.256000/- p.m.
3.	Supplementary Allowance	Rs.88065/- p.m.
4.	Education Allowance	Rs.200/- p.m.
5.	Petrol Reimbursement	Upto Rs.15200 per month + Car Washing and Parking Charges of Rs.1000 p.m.
6.	Leave Travel Assistance	Rs.75000 per annum
7.	Medical Reimbursement for Self and Family	Reimbursement of actual expenses, subject to a ceiling of 1250/- per month
8.	Provident Fund	@ 12% of the salary
9.	Gratuity	50 % of the monthly salary per annum as per the rules
10.	Car	Company maintained Car
11.	Telephone	Reimbursement of actual expenses, subject to a ceiling of 5000 per month
12.	Food voucher	Rs. 3000 per month
13.	Club Membership	entitled to Membership/use of one Club

14.	Earned Leave	Encashment of earned leave at the end of his tenure as per the rules of the Company
15.	Bonus/Ex-Gratia	As decided and approved by the Board (Total target PLVR for the year 2007 – 08 is 30,50,000)

Other Directors:

The Company pays its non-whole time Directors sitting fees of Rs. 20,000 for every meeting of its Board, and Rs. 5,000 for attending meeting of the committees of the Board, as authorised by Board resolution dated January 16, 2008.

The Board of Directors pursuant to a resolution passed in its meeting held on January 16, 2008 has approved payment of a commission of Rs. 500,000 per annum and out of pocket expenses (including travel expenses) to each of the Non-Executive Directors, subject to the approval of the shareholders.

Except the Managing Director who is entitled to statutory benefits upon termination of his employment in the Company, no other Director is entitled to any benefit upon termination of their employment with the Company.

Corporate Governance

We have complied with the requirements of the applicable regulations, including the listing agreement with the Stock Exchanges and the SEBI Guidelines, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

The Board has ten Directors, out of which five are Independent Directors.

Committees of the Board of Directors

A) Audit Committee :-

- 1) Mr. K.B. Dadiseth, Independent Director;
- 2) Mrs. Lalita D. Gupte, Independent Director;
- 3) Mr. Pranay Vakil, Independent Director;
- 4) Dr. Pritam Singh, Independent Director; and
- 5) Mr. Amit B. Choudhury, Independent Director

The Chairman of the Audit Committee is Mr. Keki B. Dadiseth. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Audit Committee.

The Audit Committee was re-constituted by a meeting of the Board held on January 16, 2008. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956,
 - b. Changes, if any, in accounting policies and practices and reasons for the same,
 - c. Major accounting entries involving estimates based on the exercise of judgment by management,
 - d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions, and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.
10. Discussion with 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.
11. To look 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal Auditor shall be subject to review by the Audit Committee.

B) Remuneration Committee: -

- 1) Mrs. Lalita D. Gupte, Independent Director;
- 2) Mr. K.B. Dadiseth, Independent Director;
- 3) Mr. Pranay Vakil, Independent Director;

- 4) Dr. Pritam Singh, Independent Director; and
- 5) Mr. Amit B. Choudhury, Independent Director

The Chairperson of the Remuneration Committee is Mrs. Lalita D. Gupte. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Remuneration Committee.

The Remuneration Committee was reconstituted by a meeting of the Board of Directors held on January 16, 2008. This committee looks in all matters pertaining to remuneration of the Managing Director, the Non-Executive Director and administration of the Company's Employee Stock Option Plan.

C) Investors' Grievance cum Share Transfer Committee

The members of the Investors' Grievance cum Share Transfer Committee are:

1. Mr. Adi B. Godrej, Chairman; and
2. Mr. Milind S. Korde, Managing Director.

The Chairman of the Investors' Grievance cum Share Transfer Committee is Mr. Adi B. Godrej. The Company Secretary, Mr. Shodhan A. Kembhavi, is the secretary of the Investors' Grievance cum Share Transfer Committee.

The Investors' Grievance cum Share Transfer Committee was constituted by a meeting of the Board of Directors held on January 16, 2008. This committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, issue of duplicate/consolidated share certificates, allotment and listing of shares, review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, and non-receipt of dividends declared etc. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances. This committee is also responsible for approval of transfer of shares including power to delegate the same to registrar and transfer agents.

Changes in our Board of Directors in the last three years

The changes in the Board of Directors in the last three years are as follows:

Name of Director	Date	Reason
Mrs. Pheroza J. Godrej	January 16, 2008	Cessation
Mrs. Smita V. Crishna	January 16, 2008	Cessation
Mr. R. K. Naoroji	January 16, 2008	Cessation
Mr. Keki B. Dadiseth	January 16, 2008	Appointment
Mrs. Lalita D. Gupte	January 16, 2008	Appointment
Mr. Pranay Vakil	January 16, 2008	Appointment
Dr. Pritam Singh	January 16, 2008	Appointment

Shareholding of Directors in the Company

The following table details the shareholding of the Directors in their personal capacity

Name of Directors	Number of Equity Shares (Pre-Issue)	Number of options granted
Mr. Nadir B. Godrej	1,730,250	-

Name of Directors	Number of Equity Shares (Pre-Issue)	Number of options granted
Mr. Milind S. Korde	10,000	60,000
Mrs. Lalita D. Gupte	7,000	-
Mr. Pranay Vakil	8,000	-
Dr. Pritam Singh	1,000	-
Mr. Amit B. Choudhary	1,500	-

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.

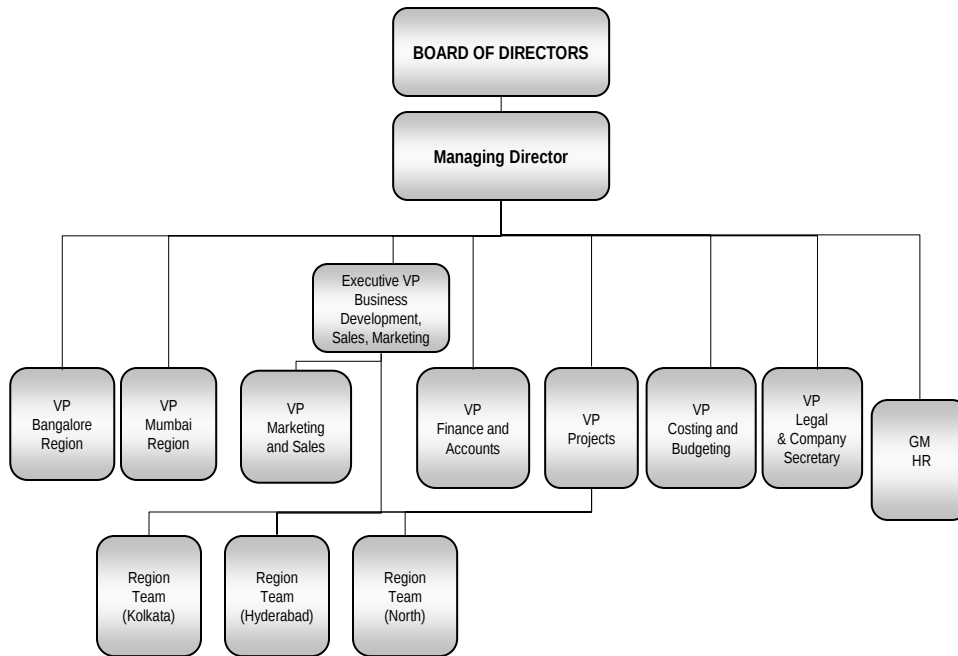
Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, 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.

As of May 15, 2008, the Company has outstanding deposits from our Director, Ms. Parmeshwar A. Godrej details of which are mentioned in the section titled “Financial Indebtedness” on page 265 of this Draft Red Herring Prospectus.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled “Related Party Transactions” beginning on page 160 of this Draft Red Herring Prospectus, the Directors do not have other interest in the business of the Company.

Management Organisation Structure



Key Managerial Personnel

The details regarding our Key Managerial Personnel are as follows:

Mr. K. T. Jithendran, aged 41 years, Indian, is the Executive Vice President and heads the business development, marketing and sales functions of our Company. He is a civil engineer from the Indian Institute of Technology and has also completed his Post Graduate Diploma in Management from the Indian Institute of Management (IIM). He began his career with Metallurgical Engineering Consultants and joined our Company in 1994. He has over 12 years of experience in real estate business and has handled various functions of marketing, sales and human resources. During the fiscal 2007, Mr. K. T. Jithendran was paid a gross compensation of Rs. 6.62 million.

Mr. K. P. Sudheer, aged 34 years, Indian, is the Vice President of our Company and heads the Mumbai region. He is a mechanical engineer from Anna University with post graduate diploma in management from Xaviers Institute of Management Studies. He began his career with Hindustan Motors in 1995. He was an employee of our Company from the year 2000 to 2005 and later again joined our Company in 2006. He has over 7 years of experience in the field of marketing. During the fiscal 2007, Mr. K. P. Sudheer was paid a gross compensation of Rs. 3.28 million.

Mr. Nishikant Shimpi, aged 41 years, Indian, is the Vice President of our Company and heads the Bangalore region. He is a civil engineer from Shri Guru Gobind Singhji College of Engineering, Nanded with a post graduate specialization in the field of marketing from Sydneham Institute of Management Studies and has 15 years of experience in diverse areas, including an overseas stint. He was an employee of our Company from the year 1992 to 2001 and later again joined our Company in 2005. During the fiscal 2007, Mr. Nishikant Shimpi was paid a gross compensation of Rs. 4.10 million.

Mr. Nitin Wagle, aged 50 years, Indian, is the Vice President and heads the costing and budgeting department of our Company. He is a civil engineer from Victoria Jubilee Technical Institute, Mumbai University and has over 26 years of experience in the field of executing several large projects. He began his career with Larsen & Toubro Engineering Construction Corporation division and joined our Company in 1992. During the fiscal 2007, Mr. Nitin Wagle was paid a gross compensation of Rs. 3.03 million.

Mr. Shodhan A. Kembhavi, aged 48 years, Indian, is the Vice President and heads the legal and secretarial functions of our Company. He is member of Institute of Company Secretaries of India and a law graduate from Mumbai University. He joined our Company in the year 2000 and has more than 15 years of experience in the field of legal and company secretarial matters. His previous assignments were with Premier Automobiles Limited, Standard Batteries, Bajaj Hindustan and Leela Hotels. During the fiscal 2007, Mr. Shodhan Kembhavi was paid a gross compensation of Rs. 2.90 million.

Mr. Rajendra Khetawat, aged 36 years, Indian, is Vice President and heads the finance and accounts function of our Company. He was previously employed with K. Raheja Constructions, Mumbai for 5 years before joining our Company in 2003. He is a Chartered Accountant and has over 10 years of experience in the field of audit, accounts, tax, financial and treasury management. During the fiscal 2007, Mr. Rajendra Khetawat was paid a gross compensation of Rs. 2.97 million.

Mr. Santosh Tamhane, aged 44 years, Indian, is Vice President and is in charge of operations of our Company. He is a Civil Engineer Sardar Patel College of Engineering and has 23 years of experience in the field of project execution with Tata Housing Development Company. He joined our Company in 2006. During the fiscal 2007, Mr. Santosh Tamhane was paid a gross compensation of Rs. 3.28 million.

Ms. Krishnakoli S. Kumar, aged 39 years, Indian, is Vice President and heads the Marketing and Sales function. She is an engineer with an MBA from Wharton. She has more than 15 years of experience in a variety of functions in diverse industries. She joined Godrej Industries Limited in 2004 in the corporate planning division and joined our Company in 2007. Ms. Krishnakoli Kumar was not an employee of our Company during the fiscal 2007.

Ms. Aylona D'Souza, aged 31 years, Indian, is the General Manager and is heading the HR function of our Company. She holds Masters of Science from Goa University and Post Graduate Diploma in Business Administration from Institute for Technology and Management, Mumbai. She has over 7 years of experience in HR. She was previously employed with Nicholas Piramal India Limited and Darashaw & Company Private Limited. She joined our Company in 2004. During the fiscal 2007, Ms. Aylona D'Souza was paid a gross compensation of Rs. 1.98 million.

All our Key Managerial Personnel as disclosed above are permanent employees of our Company.

Shareholding of the Key Managerial Personnel

Name	No. of Shares held
Mr. Milind S. Korde	10,000
Mr. K. T. Jithendran	2,000
Mr. K. P. Sudheer	300
Mr. Nitin Wagle	300
Mr. Rajendra Khetawat	300
Mr. Shodhan A. Kembhavi	400
Mr. Santosh Tamhane	300
Ms. Aylona D'Souza	100

Bonus or Profit Sharing Plan for our Key Managerial Personnel

The Performance Linked Variable Remuneration limits payable to the Key Managerial Personnel by the Company are as follows:

Name	Collective (in Rs.)*	Individual (in Rs.)**
Mr. K. T. Jithendran	3,615,555	300,000
Mr. K. P. Sudheer	2,145,240	86,250
Mr. Nishikant Shimpi	2,452,845	115,000
Mr. Nitin M. Wagle	1,368,050	115,000
Mr. Shodhan Kembhavi	1,335,722	115,000
Mr. Rajendra Khetawat	1,496,506	172,500
Mr. Santosh Tamhane	2,145,240	86,250
Ms. Krishnakoli S. Kumar	-	-
Ms. Aylona D'Souza	1,044,818	75,000

* "Collective" denotes the Performance Linked Variable Remuneration payable with regard to the performance of the Company

** "Individual" denotes the Performance Linked Variable Remuneration payable with regard to the performance of the Individual Key Managerial Personnel

Changes in Key Managerial Personnel

The changes in the Key Managerial Personnel in the last three years are as follows:

Name	Designation as of the date of their appointment/Cessation	Date of appointment	Date of cessation
Mr. Nishikant Shimpi	General Manager (South)	September 5, 2005	-

Name	Designation as of the date of their appointment/Cessation	Date of appointment	Date of cessation
Mr. Milind Pathare	Vice President – Business Development	-	June 2, 2006
Mr. Santosh Tamhane	General Manager (Projects)	July 3, 2006	-
Mr. K. P. Sudheer	General Manager (Marketing and Sales)	July 3, 2006	-
Ms. Krishnakoli S. Kumar	Associate Vice President	April 1, 2007	-

Employees Stock Option Plan

For details of employee stock option plan see the section titled “Capital Structure” on page 23 of this Draft Red Herring Prospectus.

Payment or Benefit to officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of the Company’s employees including the Key Managerial Personnel and our Directors. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of the Company.

OUR PROMOTERS AND PROMOTER GROUP

The promoters of our Company are:

1. Godrej & Boyce Manufacturing Company Limited; and
2. Godrej Industries Limited

1. Godrej & Boyce Manufacturing Company Limited

Godrej & Boyce Manufacturing Company Limited was incorporated on March 3, 1932 as a limited liability company under the Indian Companies Act, 1913. Godrej & Boyce Manufacturing Company Limited is involved in the business of manufacture and/or marketing of various consumer durables, office equipment and industrial products.

The registered office of Godrej & Boyce Manufacturing Company Limited is located at Pirojshanagar, Vikhroli, Mumbai – 400 079.

The shareholding pattern of Godrej & Boyce Manufacturing Company Limited as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1	Ms. Tanya A. Dubash and Mr. Adi B. Godrej	9,609	1.45
2	Ms. Nisaba A. Godrej and Mr. Adi B. Godrej	9,609	1.45
3	Mr. Pirojsha A. Godrej and Mr. Adi B. Godrej	9,609	1.45
4	Mr. Adi B. Godrej	32,240	4.87
5	Ms. Parmeshwar A. Godrej and Mr. Adi B. Godrej	4,473	0.68
6	Mr. Nadir B. Godrej	65,540	9.89
7	Ms. Nyrika V. Crishna and Ms. Smita V. Crishna	15,114	2.28
8	Ms. Freyan V. Crishna and Ms. Smita V. Crishna	15,113	2.28
9	Ms. Smita V. Crishna	35,313	5.33
10	Ms. Raika J. Godrej and Mr. Jamshyd N. Godrej	16,411	2.48
11	Mr. Navroze J. Godrej and Mr. Jamshyd N. Godrej	16,412	2.48
12	Mr. Jamshyd N. Godrej	32,717	4.94
13	Mr. Rishad K. Naoraji and Mr. Nadir B. Godrej	16,385	2.47
14	Mr. Rishad K. Naoraji and Mr. Jamshyd N. Godrej	16,385	2.48
15	Mr. Rishad K. Naoraji and Ms. Smita V. Crishna	16,385	2.47
16	Mr. Rishad K. Naoraji and Mr. Adi B. Godrej	16,385	2.47
17	Mr. A. F. Golwalla, Mr. N. D. Sidhva, Mr. H. P. Daruwalla and Mr. P. D. Lam (Trustees, Pirojsha Godrej Foundation)	157,500	23.77
18	Lawkim Limited	690	0.10
19	Godrej Holdings Private Limited	10	0.00
20	Godrej Investments Private Limited	176,732	26.67
21	Surveyors and Company Private Limited	11	0.00
Total		662,643	100

Board of Directors

The board of directors of Godrej & Boyce Manufacturing Company Limited as on March 31, 2008 is as follows:

- 1) Mr. Jamshyd N. Godrej;
- 2) Mr. Adi B. Godrej;
- 3) Mr. Nadir B. Godrej;

- 4) Mr. Vijay M. Crishna;
- 5) Mr. Kavas N. Petigara;
- 6) Mr. Behram A. Hathikhanavala;
- 7) Mr. Fali P. Sarkari;
- 8) Mr. Pradip P. Shah;
- 9) Ms. Anita Ramachandran;
- 10) Mr. Phiroze D. Lam;
- 11) Mr. Kyamas A. Palia.

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)			
Particulars	For the year ended March 31, 2008	For the year ended March 31, 2007	For the year ended March 31, 2006
Equity Capital	66.26	66.26	66.26
Reserves & Surplus (Excluding Revaluation Reserve)	6,801.90	5,549.75	4,916.47
Total Income	35,713.63	28,430.93	21,483.26
Profit / (Loss) After Tax	1,717.30	1,097.63	392.04
Earning Per Share	2,592.00	1,656.00	592.00
Book Value per Share (Net Asset Value)	53,896.00	42,905.00	32,421.00

There has been no change in the management of Godrej & Boyce Manufacturing Company Limited. The company has not made any public or rights issue in the last three years and there has been no change in the capital structure of the company in the last six months. The company has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is the company under winding up. Further, Godrej & Boyce Manufacturing Company Limited has confirmed that it has not been detained as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are pending against it, except as disclosed in the section titled "Outstanding Litigation and Material Development" on page 268 of this Draft Red Herring Prospectus.

Other details relating to Godrej & Boyce Manufacturing Company Limited

PAN	AAACG1395D
Company Identification Number	U28993MH1932PLC001828
Address of RoC	Mumbai, Maharashtra located at Everest, 100, Marine Drive, Mumbai 400 002, Maharashtra

We confirm that the permanent account number, bank account number, company identification number and address of the RoC where Godrej & Boyce Manufacturing Company Limited is registered shall be submitted to BSE and NSE at the time of filing of the Draft Red Herring Prospectus with them.

Companies with which Godrej & Boyce Manufacturing Company Limited has disassociated in the last three years:

Godrej & Boyce Manufacturing Company Limited has not disassociated itself with any of the Promoter Group companies in the preceeding three years of filing this Draft Red Herring Prospectus.

Interests of Godrej & Boyce Manufacturing Company Limited in the Company

Godrej & Boyce Manufacturing Company Limited does not hold any equity shares in the Company. Except as stated in “Related Party Transactions” on page 160 of this Draft Red Herring Prospectus, Godrej & Boyce Manufacturing Company Limited does not have any other interest in the Company’s business.

Godrej & Boyce Manufacturing Company Limited does not have any interest in the property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company except as otherwise disclosed in the Draft Red Herring Prospectus.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

2. Godrej Industries Limited

Godrej Industries Limited was incorporated on March 7, 1988 as Gujarat-Godrej Innovative Chemicals Limited (GGICL) in Gujarat. Godrej Industries Limited is involved in the business of manufacture and sale of oleo- chemicals and surfactants, estate management, finance and investments.

The erstwhile Godrej Soaps Limited was merged with GGICL with effect from April 1, 1994 and the name of GGICL was changed to Godrej Soaps Limited (GSL). The Registered office was shifted from Gujarat to Maharashtra with effect from March 1, 1996.

Subsequently, under a scheme of arrangement, the consumer products division of the GSL was demerged with effect from April 1, 2001 into a separate company, Godrej Consumer Products Limited (GCPL) and GSL was renamed as Godrej Industries Limited, on April 2, 2001.

Further, the vegetable oils and processed foods manufacturing business of Godrej Foods Limited was transferred to the Godrej Industries Limited with effect from June 30, 2001. Thereafter, the foods division (except Wadala factory) was sold to Godrej Beverages and Foods Limited on March 31, 2006.

The registered office of Godrej Industries Limited is located at Pirojshanagar, Eastern Express Highway, Vikroli (East), Mumbai 400 079.

Shareholding Pattern of Godrej Industries Limited as on March 31, 2008 is as follows:

Category of shareholder	No. of shareholders	Total No. of shares	% of Shareholding
(a) Shareholding of Promoter And Promoter Group			
(1) Indian	14	251,234,174	78.57
(2) Foreign	-	-	-
Total Shareholding of promoter and promoter group	14	251,234,174	78.57

Category of shareholder	No. of shareholders	Total No. of shares	% of Shareholding
(b) Public Shareholding			
(1) Institutions	62	33,361,536	10.43
(2) Non-institutions	35,673	35,162,892	11.00
Total Public Shareholding	35,735	68,524,428	21.43
(c) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
Grand Total [(a)+(b)+(c)]	35,749	319,758,602	100

Board of Directors

The directors of Godrej Industries Limited, as on March 31, 2008 are as follows:

- 1) Mr. A B Godrej;
- 2) Mr. J N Godrej;
- 3) Mr. N B Godrej;
- 4) Mr. S A Ahmadullah;
- 5) Mr. V M Crishna;
- 6) Mr. K K Dastur;
- 7) Mr. V N Gogate;
- 8) Mr. K N Petigara;
- 9) Mr. F P Sarkari;
- 10) Mr. V F Banaji;
- 11) Ms. T A Dubash;
- 12) Mr. M Eipe;
- 13) Mr. M P Pusalkar;
- 14) Mr. C K Vaidya.

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	291.85	291.85	291.85
Reserves & Surplus (Excluding Revaluation Reserve)	3,631.68	3,192.53	2,758.61
Total Income	7,829.12	8,026.99	8,182.71
Profit / (Loss) After Tax	780.61	711.24	757.72
Earning Per Share	2.67	2.47	2.60
Book Value per Share (Net Asset Value)	31.46	25.24	21.11

Share Price Information

The equity shares of Godrej Industries Limited are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months up to April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	283.20	208.10
December 2007	479.65	297.40
January 2008	468.15	266.75
February 2008	334.85	235.05
March 2008	317.90	215.10
April 2008	296.95	231.00

Source: www.nse-india.com

The market capitalisation of Godrej Industries Limited as on the closing price of Rs. 283.80 per equity share on the NSE on April 30, 2008 was Rs. 90,747.49 million.

The details of the highest and lowest price on the BSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	281.90	208.15
December 2007	480.50	295.95
January 2008	466.85	266.70
February 2008	330.00	235.30
March 2008	319.30	215.30
April 2008	297.60	230.05

Source: www.bseindia.com

The market capitalisation of Godrej Industries Limited as on the closing price of Rs. 284.60 per equity share on the BSE on April 30, 2008 was Rs. 91,003.30 million.

Details of public/ rights issue:

Godrej Industries Limited has not made any public or rights issue in the last three years and there has been no change in the capital structure in the last six months other than as follows:

Godrej Industries Limited (which was earlier named Gujarat-Godrej Innovative Chemicals Limited and later Godrej Soaps Limited) made a rights issue of equity shares of the face value of Rs. 10 in the year 1993. A total of 24,795,104 equity shares were issued as part of the rights issue and the issue price was Rs. 24 per equity share.

On November 20, 2007, Godrej Industries Limited allotted 27,906,950 equity shares of Re.1 each to QIBs by way of a Qualified Institutional Placement. Consequently the paid up equity capital of the company has increased from Rs. 291.852 million to Rs. 319.75 million.

Promise vs. Performance

Godrej Industries Limited (which was earlier named Gujarat-Godrej Innovative Chemicals Limited and later Godrej Soaps Limited) made an initial public offer of 2,100,000 secured redeemable partly convertible debentures of Rs. 150 each for cash at par aggregating to Rs. 315 million during the year 1989-90.

The details of promise vs. performance are as follows:

Objects of the Issue	Promise	Performance
To finance the setting up of a project for manufacture of Alpha Olefins its precursors and derivatives at Valia, Gujarat	-	With the commissioning of the Alpha Olefins plant in July 199, the project was fully commissioned

Godrej Industries Limited is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is under winding up. Further, Godrej Industries Limited has confirmed that it has not been detained as wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or are pending against it.

Mechanism for redressal of investor grievance:

Godrej Industries Limited has constituted a Shareholders Committee to look into and redress Shareholders and Investor Complaints. Mr S. K. Bhatt, Executive Vice President (Corporate Services) and Company Secretary is the compliance officer.

This committee looks into redressal of shareholder complaints regarding transfer of shares, non receipt of balance sheet and non receipt of declared dividends, as required in clause 49 of the Listing Agreement. Any investor grievance received has been resolved within six days.

Number of complaints for the year ended March 31, 2008

Complaints outstanding as on April 1, 2007	Nil
Complaints received during the year ended March 31, 2008	46
Complaints resolved during the year ended March 31, 2008	46
Complaints outstanding as on March 31, 2008	Nil

Other details relating to Godrej Industries Limited

PAN	AAACG2953R
Company Identification Number	L24241MH1988PLC097781
Address of RoC	Mumbai, Maharashtra located at Everest, 100, Marine Drive, Mumbai 400002, Maharashtra

We confirm that the permanent account number, bank account number, company identification number and address of the RoC where Godrej Industries Limited is registered shall be submitted to BSE and NSE at the time of filing of the Draft Red Herring Prospectus with them.

Companies with which Godrej Industries Limited has disassociated in the last three years:

Godrej Industries Limited has disassociated itself with the following companies in the last three years:

1. Puran Plastics and Chemicals Limited;
2. Sahyadri Aerosols Limited;
3. Godrej Upstream Limited; and
4. Godrej Remote Services Limited.

Interests of Godrej Industries Limited in the Company

Except as stated in “Related Party Transactions” on page 160 of this Draft Red Herring Prospectus, and to the extent of shareholding in the Company, Godrej Industries Limited does not have any other interest in the Company’s business.

Godrej Industries Limited does not have any interest in the property acquired by our Company within two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company except as otherwise disclosed in the Draft Red Herring Prospectus.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company. The Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Our Promoter Group

Apart from our Promoters and our Subsidiaries, the following companies and individuals constitute our Promoter Group:

I. Promoter Group Companies

1. Cauvery Palm Oil Limited;
2. Ensemble Holdings and Finance Limited;
3. Geometric Limited;
4. Godrej (Malaysia) Sdn. Bhd;
5. Godrej (Singapore) Pte Limited;
6. Godrej Agrovet Limited;
7. Godrej Consumer Product Limited;
8. Wadala Commodities Limited;
9. Godrej Efacec Automation and Robotics Limited;
10. Godrej Global Solutions (Cyprus) Limited;
11. Godrej Global Solutions Inc.;
12. Godrej Global Solutions Limited;
13. Godrej Hicare Limited;
14. Godrej Infotech Limited;
15. Godrej International Limited;
16. Godrej Investments Private Limited;
17. Godrej Oil Plantations Limited;
18. Godrej Sara Lee Limited;
19. Golden Feed Products Limited;
20. Goldmohur Foods and Feeds Limited;
21. Mercury Manufacturing Company Limited;
22. Swadeshi Detergents Limited;
23. Godrej Hershey Limited;
24. Godrej Foods Limited.
25. Compass BPO Limited;
26. CBay Systems Limited (US);

27. CBay Systems Holdings Limited (UK);
28. Boston Analytics LLC; and
29. HyCa Technologies Private Limited.

II. Individuals

1. Mr. Adi B. Godrej
2. Mr. Jamshyd N. Godrej;
3. Ms. Nisaba A. Godrej;
4. Mr. Pirojsha A. Godrej;
5. Ms. Raika J. Godrej;
6. Mr. Navroze J. Godrej;
7. Mr. Nadir B. Godrej;
8. Ms. Freyan V. Crishna;
9. Ms. Nyrika V. Crishna;
10. Mr. Rishad K. Naoraji;
11. Ms. Tanya A. Dubash;
12. Master Burjis Nadir Godrej;
13. Mrs. Rati Nadir Godrej;
14. Mr. Sohrab Nadir Godrej;
15. Ms. Parmeshwar A. Godrej;
16. Mrs. Smita V. Crishna;
17. Mrs. Pheroza Godrej; and
18. Mr. V. M. Crishna.

1) Cauvery Palm Oil Limited (“CPOL”)

CPOL was incorporated on September 17, 1996. CPOL is engaged in the palm oil business.

The registered office of CPOL is located at Unit 708, Beta Wing, 7th Floor, Raheja Towers, 177 Anna Salai, Chennai 600 002, Tamil Nadu.

The directors of CPOL are:

- 1) Mr. V. Krishnamurthy;
- 2) Mr. Jayakar Krishnamurthy; and
- 3) Mr. B. S. Yadav.

The shareholding pattern of CPOL as on March 31, 2008 is as follows:

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	Southern Ceramics Private Limited	727,208	19.14
2.	Bharat Advisory Services Private Limited	56	0.00
3.	Bangalore Union Services Private Limited	336	0.01
4.	Mr. Jayakar Krishnamurthy	134,400	3.54
5.	Minica Real Estates Private Limited	700,000	18.42
6.	Sujo Land and Properties Private Limited	100,000	2.63
7.	Mr. V. Krishnamurthy	200,000	5.26
8.	Godrej Agrovet Limited	1,938,000	51.00
	Total	3,800,000	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)			
Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity capital	38.00	38.00	38.00
Reserves and surplus (excluding revaluation reserve)	95.00	95.00	95.00
Total income	27.95	29.73	4.42
Profit / (loss) after tax	(1.97)	(1.88)	(3.17)
Earning per share	(0.52)	(0.49)	(0.83)
Book value per share (net asset value)	35.63	36.89	35.17

CPOL has not made a public or rights issue in the last three years.

CPOL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

2) Ensemble Holdings and Finance Limited (“EHFL”)

EHFL was incorporated on February 17, 1992. EHFL is engaged in the business of loans and investments.

The registered office of the EHFL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of EHFL are:

- 1) Ms. T. A. Dubash;
- 2) Mr. C. K. Vaidya;
- 3) Mr. M. Eipe; and
- 4) Mr. H. K. Press.

The shareholding pattern of EHFL as on March 31, 2008 is as follows:

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	Godrej Industries Limited	3,770,160	99.89
2.	Godrej Industries Limited	3994	0.11
3.	Godrej Industries Limited jointly with Mr. S. K. Bhatt	1	0
4.	Godrej Industries Limited jointly with Mr. V. Srinivasn	1	0
5.	Godrej Industries Limited jointly with Mr. M. Eipe	1	0
6.	Godrej Industries Limited jointly with Mr. Nadir B. Godrej	1	0
7.	Godrej Industries Limited jointly with Ms. T. A. Dubash	1	0

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
8.	Godrej Industries Limited jointly with Mr. Adi B. Godrej	1	0
	Total	3,774,160	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity capital	37.74	37.74	37.74
Reserves and surplus (excluding revaluation reserve)	104.59	102.36	84.95
Total income	8.06	57.33	3.04
Profit / (loss) after tax	7.46	56.67	2.05
Earning per share	1.98	15.02	0.54
Book value per share (net asset value)	16.45	15.79	11.16

EHFL has not made a public or rights issue in the last three years.

EHFL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

3) Geometric Limited (Geometric)

Geometric was incorporated on March 25, 1994 as Geometric Software Services Company Private Limited. The company changed its name to Geometric Software Solutions Company Limited on August 20, 1998 and later to Geometric Limited with effect from October 15, 2007. It is involved in the business of designing, developing, market and support software particularly in the field of computer aided design and computer aided manufacture and to provide services such as designing and developing of customized solutions in the field of computer aided manufacture, computer aided design, modelling, geometry, machining, drafting, drawing, interfacing with other software on a project and/or contract basis. Geometric is a 100% export oriented unit and an industrial undertaking set up in the software technology park, under the Software Technology Park Scheme.

The registered office of Geometric is located at Plant 6, Pirojshahnagar, Vikhroli (West), Mumbai 400 079.

The directors of Geometric are:

- 1) Mr. Jamshyd N. Godrej;
- 2) Mr. Manu M. Parpia;
- 3) Dr. Ravi Gopinath;
- 4) Dr. Kyamas A. Palia;
- 5) Mr. Milind S. Sarwate;
- 6) Dr. Richard Riff;
- 7) Mr. Marc Dulude;
- 8) Ms. Anita Ramachandran; and

9) Ms. Renuka Ramnath.

The shareholding pattern of Geometric as on March 31, 2008 is as follows:

Category of shareholder	No. of shareholders	Total No. of shares	% of Shareholding
(A) Shareholding of promoter and promoter group			
(1) Indian	8	19,647,405	31.64
(2) Foreign	-	-	-
Total shareholding of promoter and promoter group (A)	8	19,647,405	31.64
(B) Public Shareholding			
(1) Institutions	38	19,813,788	31.90
(2) Non-Institutions	27,411	22,642,367	36.46
Total Public shareholding (B)	27,449	42,456,155	68.36
(C) Shares held by Custodians and against which Depository Receipts have been issued			
	-	-	-
Total (A)+(B)+(C)	27,457	62,103,560	100.00

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For year ended March 31, 2008	For year ended March 31, 2007	For year ended March 31, 2006
Equity Capital	124.21	123.86	113.32
Reserves & Surplus (Excluding Revaluation Reserve)	2,378.36	2,113.04	1,311.12
Total Income	5,061.74	3,942.63	2,302.59
Profit / (Loss) After Tax after Minority Interest	385.63	374.39	257.85
Earning Per Share-Basic	5.18	6.20	4.59
Book Value per Share (Net Asset Value)	19.37	16.08	23.33

Share quotation

The equity shares of Geometric Limited are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	79.30	69.90
December 2007	93.00	72.85
January 2008	92.40	68.40
February 2008	77.00	64.00
March 2008	67.80	42.95
April 2008	70.00	52.50

Source: www.nse-india.com

The market capitalisation of Geometric as on the closing price of Rs. 58.55 per equity share on the

NSE on April 30, 2008 was Rs. 3,616.16 million.

The details of the highest and lowest price on the BSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	79.80	69.75
December 2007	93.40	73.05
January 2008	93.80	67.90
February 2008	76.00	63.75
March 2008	67.50	42.00
April 2008	68.90	51.50

Source: www.bseindia.com

The market capitalisation of Geometric as on the closing price of Rs. 58.40 per equity share on the BSE on April 30, 2008 was Rs. 3,626.85 million.

Details of public/ rights issue:

Geometric has not made any public or rights issue in the last three years and there has been no change in the capital structure in the last six months other than allotment of 100,785 equity shares under its Employee Stock Option Plan.

Promise vs. Performance

In the fiscal year 1999-2000 Geometric made an initial public offering of 310,000 equity shares of Rs. 10 each for cash at a premium of Rs. 290 per equity share (Issue price of Rs. 300) aggregating Rs. 93 million and an offer for sale by existing members of 1,000,000 equity shares at a premium of Rs. 290 per share (offer price of Rs. 300) aggregating Rs. 300 million.

The proceeds of the issue were applied for the objects of the issue as disclosed in the prospectus for the issue. The objects of the issue were:

- i) The establishment of software development facilities at Pune Information Technology Park, Hinjewadi, near Pune in Maharashtra,
- ii) Normal capital expenditure in the nature of upgradation of hardware/software,
- iii) The expenses of the issue, and
- iv) The listing of the company's equity shares on the stock exchanges.

Geometric Limited has not made any projections in its prospectus at the time of its initial public offer.

Geometric is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is under winding up.

Mechanism for redressal of investor grievance:

The company has constituted a Shareholders' / Investors' Grievance Committee to look into and investigate investors' complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Committee consists of two Non-executive Directors and one Executive Director

Number of complaints for the year ended March 31, 2008

Thirteen new complaints received during the year from shareholders / investors were resolved. There were no complaints pending as at the beginning or at the end of the year.

4) Godrej (Malaysia) Sdn. Bhd. (GMSB)

GMSB was incorporated on April 29, 1965. GMSB is involved in the business of manufacturing steel office furniture.

The registered office of GMSB is located at 1 Jalan Asas, Larkin Industrial Estate, 80350 Johor Bahru, Malaysia.

The Directors of GMSB are:

- 1) Mr. D. G. S. Gill;
- 2) Mr. Jamshyd N. Godrej;
- 3) Mr. A. K. Bardy; and
- 4) Mr. M. F. Unwalla.

The shareholding pattern of GMSB as on March 31, 2008 is as below:

Sr. No.	Name of the Shareholder	Share Holdings	% of shareholding
1	Godrej & Boyce Manufacturing Company Limited	256,826	83.01
2	Aspi Khurshed Bardy	314	0.10
3	Mr. Datto G.S.Gill	13,648	4.41
4	Mr. Sangat Singh	9,566	3.09
5	Ms.Pavitar Kaur	9,566	3.09
6	Ms. Ng. Kooi Bee	290	0.09
7	M/s Chellam Invts. Sdn. Bhd.	3,200	1.03
8	M/s Yarl Enterprises Sdn. Bhd.	4,000	1.29
9	Mr. Satpal Singh	12,000	3.88
Total		309,410	100.00

The summary audited financial statement for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For the year ended December 31, 2007	For the year ended December 31, 2006	For the year ended December 31, 2005
Equity Capital	37.90	37.13	37.13
Reserves & Surplus (Excluding Revaluation Reserve)	294.39	297.96	274.16
Total Income	80.59	62.42	121.59
Profit / (Loss) After Tax	7.88	26.59	5.75
Earning Per Share	(25.00)	86.05	18.61
Book Value per Share (Net Asset Value)	1,080.00	1093.60	1016.30

GMSB has not made a public or rights issue in the last three years.

GMSB is not under winding up.

5) Godrej (Singapore) Pte Ltd (GSPL)

GSPL was incorporated on October 16, 1971. The business of GSPL is manufactures of steel office furniture.

The Registered Office of GSPL is located at 11, Lok Yang Way, Jurong, Singapore 628632.

The Directors of GSPL are:

- 1) Mr. Jamshyd N. Godrej;
- 2) Mr. M. F. Unwalla; and
- 3) Mr. Toh Aa Hea.

The shareholding pattern of GSPL as on March 31, 2008 is as follows:

Sr. No.	Name of the Shareholder	Share Holdings	% of shareholding
1	Godrej & Boyce Manufacturing Company Limited	24,720	58.55%
2	Mr. Aspi Khurshed Bardy	3	0.01%
3	Steel Seal Equipment Ltd.	17,500	41.45%
Total		42,223	100.00

The summary audited financial statement for the last three financial years are as follows

Particulars	(Rs. in million except per share data)		
	For the year ended December 31, 2007	For the year ended December 31, 2006	For the year ended December 31, 2005
Equity Capital	11.82	11.40	12.75
Reserves and Surplus (Excluding Revaluation Reserve)	279.73	278.36	322.58
Total Income	163.82	100.37	143.86
Profit / (Loss) After Tax	(8.45)	(27.27)	(5.74)
Earning Per Share	(200)	(645.75)	(121.50)
Book Value per Share (Net Asset Value)	6,905.00	6,861.40	7,101.00

GSPL has not made a public or rights issue in the last three years.

GSPL is not under winding up.

6) Godrej Agrovat Limited ("GAL")

GAL was incorporated on November 25, 1991. GAL is engaged in the business of manufacturing and marketing of all types of animal feeds, poultry breeding, hatching, processing operations and agro chemicals.

The registered office of GAL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GAL are:

- 1) Mr. Nadir B. Godrej;
- 2) Mr. Balram Singh Yadav;
- 3) Mr. Adi B. Godrej;
- 4) Mr. Jamshyd N. Godrej;

- 5) Mr. Vijay M. Crishna;
- 6) Mr. Kavas N. Petigara;
- 7) Ms. Tanya A. Dubash;
- 8) Dr. Sudheer L. Anaokar;
- 9) Mr. Amit B. Choudhury; and
- 10) Ms. Nisa A. Godrej.

The shareholding pattern of the GAL as on March 31, 2008 is as follows:

No.	Name of Shareholder	Number of Shares	% of shareholding
1	Mr. Adi B. Godrej	396	0
2	Mr. Nadir B. Godrej	586,080	4.84
3	Godrej Industries Limited	9,112,951	75.20
4	Godrej Industries Limited jointly with Mr. R. S. Vijan	1	0
5	Godrej Industries Limited jointly with. Dr. S. S. Sindhu	1	0
6	Godrej Industries Limited jointly with Mr. V. V. Chaubal	1	0
7	Godrej Industries Limited jointly with Mr. B. S. Yadav	1	0
8	Godrej Industries Limited jointly with Dr. P. N. Narkhede	1	0
9	Mr. Rishad K. Naoroji	586,080	4.84
10	Mr. Pirojsha A. Godrej	195,360	1.61
11	Ms. Tanya A. Dubash	195,360	1.61
12	Ms. Nisaba A. Godrej	195,360	1.61
13	Mr. Navroze J. Godrej	293,040	2.42
14	Ms. Raika J. Godrej	293,040	2.42
15	Ms. Nyrika V. Crishna	293,040	2.42
16	Ms. Freyan V. Crishna	293,040	2.42
17	Swadeshi Detergents Limited	68,500	0.57
18	Ensemble Holdings & Finance Limited	6,500	0.05
Total		12,118,752	100.00

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Share Capital	101.18	71.18	71.18
Reserves and Surplus (Excluding Revaluation Reserve)	741.12	554.82	519.04
Total Income	7,128.52	6,055.59	5,685.18
Profit / (Loss) After Tax	27.50	68.25	141.72
Earning Per Share	3.61	9.59	19.91
Book Value per Share (Net Asset Value)	110.55	87.94	82.88

During the current Fiscal Year 2008, GAL made a rights issue to its existing shareholders at a premium of Rs. 490 per share out of which Godrej Industries Limited subscribed to 2 million Equity Shares which have since been allotted to Godrej Industries Limited.

During the Fiscal Year 2007, GAL made a private placement of 3 million Equity Shares of Rs. 10 each at a premium of Rs. 90 per share to Godrej Industries Limited.

GAL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act. 1985, as amended nor is under winding up.

7) **Godrej Consumer Products Limited (GCPL)**

GCPL was incorporated on November 29, 2000. GCPL is involved in the business of manufacturing and marketing of products such as soaps, detergents, cosmetics and toiletries.

The registered office of GCPL is at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GCPL are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. J.N. Godrej;
- 3) Mr. Nadir B. Godrej;
- 4) Mr. Bala V. Balachandran;
- 5) Ms. Rama Bijapurkar;
- 6) Mr. B. N. Doshi;
- 7) Mr. Aman Mehta; and
- 8) Mr. H. K. Press.

The shareholding pattern of GCPL as on March 31, 2008 is as follows:

Category of shareholder	No. of shareholders	Total No. of shares	% of Shareholding
(a) Shareholding of Promoter and Promoter Group			
(1) Indian	19	153,154,148	67.81
(2) Foreign	-	-	-
Total Shareholding of Promoter and Promoter Group	19	153,154,148	67.81

Category of shareholder	No. of shareholders	Total No. of shares	% of Shareholding
(b) Public Shareholding			
(1) Institutions	100	46,363,186	20.53
(2) Non-institutions	95,257	26,326,742	11.66
Total public shareholding	95,357	72,689,928	32.19
(c) Shares held by custodians and against which Depository Receipts have been issued	-	-	-
Grand Total [(a)+(b)+(c)]	95,376	225,844,076	100.00

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For year ended March 31, 2008	For year ended March 31, 2007	For year ended March 31, 2006
Equity Capital	225.84	225.84	225.84
Reserves & Surplus (excluding revaluation reserve)	1,491.60	994.15	561.01
Total Income	11,066.68	9,558.80	7070.30
Profit / (Loss) after Tax	1,592.36	1,440.31	1,213.04
Earning Per Share	7.05	6.15	5.37
Book Value per Share (Net Asset Value)	7.59	5.40	3.48

In May 2008 GCPL allotted 32,232,316 equity shares of face value Re. 1 each at a price of Rs. 123 per share on a rights basis. The Letter of Offer is available on the website of SEBI at www.sebi.gov.in and the Lead Manager at www.jmfinancial.in. GCPL has made no other public or rights issue in the last three years.

GCPL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

Share quotation

The equity shares of GCPL are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	135.10	122.05
December 2007	150.70	130.10
January 2008	140.70	102.70
February 2008	134.95	107.00
March 2008	147.00	120.00
April 2008	132.40	123.00

Source: www.nseindia.com

The market capitalisation of GCPL as on the closing price of Rs. 130.50 per equity share on the NSE on April 30, 2008 was Rs. 29,472.65 million.

The details of the highest and lowest price on the BSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	134.95	122.10
December 2007	150.40	129.70
January 2008	140.95	102.10
February 2008	135.95	106.00
March 2008	141.00	118.00
April 2008	131.90	120.20

Source: www.bseindia.com

The market capitalisation of GCPL as on the closing price of Rs. 129.85 per equity share on the BSE on April 30, 2008 was Rs. 29,325.85 million.

Mechanism for redressal of investor grievance:

The Company has constituted a Shareholders' Committee to look into redressal of shareholders complaints regarding transfer of shares, non receipt of balance sheet and non receipt of dividend as required in clause 49 of the listing agreement. The Committee consists of two non executive Directors. Mr. N.B. Godrej and Mr. Jamshyd N. Godrej and two executive directors Mr. Adi B. Godrej and Mr. H.K. Press, the Company Secretary is the presently the compliance officer.

Number of complaints for the year ended March 31, 2008

Sr. No.	Nature of Complaint/Query	Total Received	Total Replied
1	Non-Receipt of Dividend	100	100
2	Non Receipt of shares lodged for transfer / exchange	82	82
3	Non Receipt of Annual Report	16	16
4	Others	6	6

8) Wadala Commodities Limited (“WCL”)

The company was originally incorporated as Godrej Commodities Limited on March 9, 1984. The name of the company was changed to WCL on April 8, 2008 and a fresh certificate of incorporation under Section 23(1) of the Companies Act was issued by the RoC, Madhya Pradesh and Chattisgarh. WCL is involved in the business of bulk trading of vegetable oils.

The registered office of WCL is located at Plot No 5, New Industrial Area No. 1, Mandideep, District-Raisen, Bhopal 462 046.

The directors of WCL are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. J.N. Godrej;
- 3) Mr. K.K. Dastur;
- 4) Mr. M.P. Pusalkar; and
- 5) Mr. A.B. Choudhury.

The shareholding pattern of WCL as on March 31, 2008 is as follows:

Equity Share Capital

Category of Shareholder	No. of Shareholders	Total no. of Shares	Total shareholding as a % of Total No. of Issued and Outstanding Equity Shares
(a) Shareholding of Promoter and Promoter Group			
(1) Indian	1	11,046,635	51.08
(2) Foreign	-	-	-
Total Shareholding of Promoter and Promoter Group	1	11,046,635	51.08
(b) Public Shareholding			
(1) Institutions	-	-	-
(2) Non-institutions	10,397	10,579,603	48.92
Total Public Shareholding	10,397	10,579,603	48.92
(c) Shares held by custodians and against which Depository Receipts have been issued			
	-	-	-
Grand Total [(a)+(b)+(c)]	10,398	21,626,238	100.00

Preference Share Capital

5,000,000 8% redeemable cumulative preference shares of face value of Rs. 10 each is held by Godrej Industries Limited, out of which Rs. 9 is paid up.

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity capital	21.62	21.62	21.62
Preference capital	45.00	45.00	45.00
Reserves & surplus (excluding revaluation reserve)	Nil	Nil	Nil
Total income	153.24	332.73	231.85
Profit / (loss) after tax	6.12	3.88	2.95
Earning per share	0.09	(0.01)	(0.05)
Book value per share (net asset value)	0.00	0.00	0.00

WCL has not made any public or rights issue in the last three years.

WCL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

WCL made an initial public offering of Rs. 26.40 million during the period January 1, 1985 to March 10, 1987.

Share quotation

The equity shares of WCL are listed on BSE. The details of the highest and lowest price on the BSE during the preceding six months upto April 2008 are as follows:

Month	High (Rs.)	Low (Rs.)
November 2007	17.42	8.66
December 2007	25.85	16.65
January 2008	26.80	15.80
February 2008	17.65	12.80
March 2008	15.00	8.50
April 2008	12.54	10.65

Source: www.bseindia.com

The market capitalisation of WCL as on the closing price of Rs. 11.70 per equity share on the BSE on April 30, 2008 was Rs. 253.03 million.

Mechanism for redressal of investor grievance:

WCL has constituted a shareholders' committee to look into and redress shareholder and investor complaints. Mr Kiran Rajput, Company Secretary is the presently the compliance officer.

This committee looks into redressal of shareholder complaints regarding transfer of shares, non receipt of balance sheet and non receipt of declared dividends, as per clause 49 of the Listing Agreement.

Number of complaints for the year ended March 31, 2008

Complaints outstanding as on April 1, 2007	Nil
Complaints received during the year ended March 31, 2008	1
Complaints resolved during the year ended March 31, 2008	1
Complaints outstanding as on March 31, 2008	Nil

9) Godrej Efacec Automation and Robotics Limited (GEAR)

GEAR was incorporated on November 22, 1996. GEAR is involved in the business of manufacturing, servicing and trading of automated storage and retrieval system.

The registered office of the GEAR is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GEAR are:

- 1) Mr. P. D. Lam;
- 2) Mr. K. A. Palia;
- 3) Mr. A. M. Visvanathan;
- 4) Mr. Mario Augusto do Rosario Barbosa;
- 5) Mr. Domenico Casella; and
- 6) Mr. Francisco Bernardo Sampaio De Almada Lobo.

The shareholding pattern of GEAR as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of shares held	% of shareholding
1.	Godrej & Boyce Manufacturing Company Limited*	750,000	50%
2.	Efacec Automation and Robotics Limited	750,000	50%
Total		1,500,000	100%

*Includes 5 shares held jointly with 5 individuals i.e. Mr. P. D. Lam, Mr. K. A. Palia, Mr. P. E. Fouzdar, Mr. A. M. Visvanathan and Mr. Manoj Ganjawalla

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	15	15	15
Reserves & Surplus (Excluding Revaluation Reserve)	9.72	3.33	4.67
Total Income	72.04	13.83	15.01
Profit / (Loss) After Tax	6.38	(1.34)	(1.74)
Earning Per Share	4.26	(0.89)	(1.07)
Book Value per Share (Net Asset Value)	48.02	9.22	10

GGSCCL has not made any public or rights issue in the last three years.

GEAR is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

10) Godrej Global Solutions (Cyprus) Limited (“GGSCL”)

GGSCL was incorporated on January 19, 2005. GGSCL is involved in the business of holding of investments and financing.

The registered office of GGSCL is located at Arch, Makariou III, 229, Meliza Court, 4th Floor, PC 3105, Limassol, Cyprus.

The directors of GGSCL are:

- 1) Mr. R. H. Khajotia;
- 2) Mr. Dorab E. Mistry;
- 3) Mr. Eva Agahtangelou;
- 4) Mr. Sanjay S. Tipnis; and
- 5) Mr. Stelios Savvides.

The shareholding pattern of GGSCL (equity shares) as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Ordinary Shares Held of USD 1	% of shareholding
1	Godrej Global Solutions Limited	600,000	100.00
Total		600,000	100.00

The shareholding pattern of GGSCL (preference shares) as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Preference Shares Held of USD 1	% of shareholding
1	Godrej Global Solutions Ltd	1,600,000	100.00
Total		1,600,000	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)			
Particulars	Fiscal Year 2007	Fiscal 2006 (January 1, 2006 - March 31, 2006)	January 19, 2005- December 31, 2005
Equity Capital	25.83	26.77	0.01
Preference Share Capital	64.58	66.92	Nil
Reserves & Surplus	3.19	1.15	1.49
Total Income	3.18	0.81	2.25
Profit / (Loss) After Tax	2.09	(0.32)	1.49
Earning Per Share	-	-	-
Book Value per Share (Net Asset Value)	-	-	-

GGSCL has not made any public or rights issue in the last three years.

GGSCL is not under winding up.

11) Godrej Global Solutions, Inc (“GGSI”)

GGSI was incorporated on January 21, 2005. GGSI is involved in the business of providing healthcare related business process outsourcing services. GGSI is the wholly owned subsidiary of Godrej Global Solutions (Cyprus) Limited.

The registered office of the GGSI is located at 275 Grove Street Suite 2-400, Newton, MA 02466.

The directors of GGSI are:

- 1) Mr. Sanjay S. Tipnis; and
- 2) Mr. Jim Madison.

The shareholding pattern of GGSI as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Ordinary Shares Held of USD 1	% of shareholding
1	Godrej Global Solutions (Cyprus) Limited	1,500,000	100.00
	Total	1,500,000	100.00

The summary audited financial statements for the last three financial years are as follows:

Particulars	Fiscal Year 2007	(Rs. in million except per share data)	
		Fiscal 2006 (January 1, 2006- March 31, 2006)	Fiscal 2005 (April 8, 2005 - December 31, 2005)
Equity Capital	43.05	44.61	45.10
Reserves & Surplus (Excluding Revaluation Reserve)	7.66	0.75	Nil
Total Income	23.25	5.99	8.87
Profit / (Loss) After Tax	6.93	0.75	(0.49)
Earning Per Share	Nil	Nil	Nil
Book Value per Share (Net Asset Value)	Nil	Nil	Nil

GGSI has not made any public or rights issue in the last three years

GGSI is not under winding up.

12) Godrej Global Solutions Limited ("GGSL")

GGSL was incorporated on February 28, 2003. GGSL is involved in the business of processing health care claims and data processing related business process outsourcing services.

The registered office of the GGSL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GGSL are:

- 1) Mr. Nadir B. Godrej;
- 2) Mr. C. K. Vaidya;
- 3) Mr. Sanjay S. Tipnis;
- 4) Mr. F. P. Sarkari; and
- 5) Mr. K. N. Petigara.

The shareholding pattern of GGSL (equity shares) as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1	Ensemble Holdings and Finance Limited	8,340	0.06
2	Godrej Industries Limited	8,630,831	63.41
3	Godrej Industries Ltd. (Rs.7/- paid up)	4,971,429	36.53
4.	Others	6	-
Total		13,610,606	100.00

The shareholding pattern of GGSL (preference shares) as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1	Jaideep Baldev Patharia	9,000	50.00
2	Sushanta Sudhir Bhattacharjee	4,500	25.00
3	Akil Jadumani Mohanty	4,500	25.00
Total		18,000	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	121.19	462.22	538.47
Preference Capital	0.18	0.18	Nil
Reserves & Surplus (Excluding Revaluation Reserve)	51.37	51.37	Nil
Total Income	140.03	82.27	1.67
Profit / (Loss) After Tax	(20.36)	(0.61)	1.03
Earning Per Share	(0.47)	(0.01)	0.02
Book Value per Share (Net Asset Value)	Nil	Nil	Nil

GGSL has not made any public or rights issue in the last three years.

GGSL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

13) Godrej Hicare Limited (“GHL”)

GHL was incorporated as Godrej and Kis Pvt. Ltd. on May 31, 1993. It earlier dealt in photographic and printing machines. The name of the company was changed to Godrej Photo-me Limited on March 10, 1998. Due to various reasons the business operations of this company were gradually discontinued. In 2003, the company acquired pest management and bulk chemicals business from Godrej Sara Lee Ltd. The name of the company was again changed to Godrej Hicare Limited on February 7, 2005.

GHL is currently involved in the business of pest management services, products and bulk chemical.

The registered office of GHL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GHL are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. A. Mahendran;
- 3) Mr. V. M. Crishna; and
- 4) Mr. M. Eipe.

The shareholding pattern of GHL as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of shares held	% of shareholding
1	Godrej Industries Limited	6,647,100	84.14
2	A. Mahendran	1,000,000	12.66
3	Ensemble Holdings and finance limited	4,800	0.06
4	Sufenas Netherlands b v	24,000	0.30
5	Nadir B. Godrej	45,000	0.57
6	Smita Vijay Crishna	45,000	0.57
7	N. J. Godrej	45,000	0.57
8	Rishad K. Naoroji	44,100	0.56
9	Nisaba A. Godrej	45,000	0.57
Total		7,900,000	100.00

The summary audited financial statements for the last three financial years are as follows

Particulars	(Rs. in million except per share data)		
	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity Capital	56.20	56.20	36.00
Reserves and Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	299.55	211.22	120.58
Profit / (Loss) After Tax	18.23	10.43	(11.30)

Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Earning Per Share	3.24	2.29	(3.29)
Book Value per Share (Net Asset Value)	Nil	Nil	Nil

GHL has not made any public or rights issue in the last three years.

GHL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

14) Godrej Infotech Limited (Godrej Infotech)

Godrej Infotech was incorporated on February 25, 1997. The business of the company is related to information technology including computer hardware and software and database management.

The registered office of Godrej Infotech is located at Plant 10, Pirojshanagar, Vikhroli, Mumbai 400 079.

The directors of Godrej Infotech are:

- 1) Mr K A Palia;
- 2) Mr P E Fouzdar;
- 3) Mr. K K Dastur;
- 4) Mr. S N Irani; and
- 5) Mr. R D Contractor.

The shareholding patter of Godrej Infotech as on March 31, 2008 is as follows

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1	Godrej & Boyce Manufacturing Co. Ltd.	5,050	52.06
2	Ms. Nisaba A Godrej and Ms. P A Godrej	310	3.20
3	Mr. Pirojsha A Godrej and Ms. P A Godrej	310	3.20
4	Ms. Tanya A Dubhash and Ms. P A Godrej	310	3.20
5	Ms. Raika J Godrej and Mrs. P J Godrej	465	4.79
6	Mr. Navroze J Godrej and Mrs. P J Godrej	465	4.79
7	Mr. B N Godrej and Mrs. R N Godrej	310	3.20
8	Mr. S N Godrej and Mrs. R N Godrej	310	3.20
9	Mr. H N Godrej and Mrs. R N Godrej	310	3.19

No.	Name of Shareholder	No. of Shares Held	% of shareholding
10	Mr. Rishad K Naoroji	930	9.59
11	Ms. Freyan V Crishna and Ms. S V Crishna	465	4.79
12	Ms. Nyrika V Crishna and Ms. S V Crishna	465	4.79
	Total	9,700	100

The summary audited financial statement for the last three financial years are as follows

(Rs. in million except per share data)			
Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	0.97	0.97	0.97
Reserves & Surplus (Excluding Revaluation Reserve)	33.09	30.77	29.46
Total Income	204.50	152.11	131.70
Profit / (Loss) After Tax	2.43	1.42	1.92
Earnings Per Share	251.00	147.00	199.00
Book Value per share (Net Asset Value)	21,083.00	15,681.00	13,578.00

Godrej Infotech has not made any public or rights issue in the last three years.

Godrej Infotech has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 as amended nor is under winding up.

15) Godrej International Limited (GINL)

GINL was established on January 27, 1993 in the Isle of Man by Godrej Soaps Limited to undertake trading in vegetable oils worldwide. As a result of the demerger of Godrej Soaps Limited in 2001, GINL was transferred to Godrej Industries Limited. The company continues to trade in vegetable oils.

The registered office of GINL is located at 8 Finch Road, Douglas, IM1 2PT, Isle of Man.

The directors of GINL are:

- 1) Mr Adi B. Godrej;
- 2) Mr Nadir B. Godrej;
- 3) Mr Aspi K. Bardy;
- 4) Mr Dorab E. Mistry;
- 5) Mr Andrew B. Byers; and
- 6) Mr Lynsey Elliott.

The shareholding pattern of GINL as of March 31, 2008 is as follows:

Sr. No.	Name of Shareholder	No. of Shares Held of face value 1GBP	% of shareholding
1	Godrej Industries Ltd	2,355,000	100%
	Total	2,355,000	100%

The summary audited financial statement for the last three financial years are as follows

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	183.00	187.80	100.30
Reserves and Surplus (Excluding Revaluation Reserve)	130.30	104.30	92.50
Total Income	2,677.20	2,263.30	1,709.20
Profit / (Loss) After Tax	28.60	17.10	17.50
Earning Per Share	10.98	6.56	11.63
Book Value per Share (Net Asset Value)	120.27	112.17	128.11

In the year 2005-2006, GINL has issued 1,100,000 equity share of GBP 1 each to its parent company, Godrej Industries Limited. Further, on September 17, 2007 the company undertook a buyback of 250,000 equity share of GBP 1 each at a consideration of USD 10 per share. GINL is not under winding up.

16) Godrej Investments Private Limited (“GIPL”)

GIPL was incorporated on August 8, 1975. GIPL is an investment company with the main objective of holding shares.

The registered office of GIPL is located at Pirojshanagar, Vikhroli, Mumbai 400 079.

The directors of GIPL are:

- 1) Mr. A B Godrej;
- 2) Mr. J N Godrej;
- 3) Mr. R K Naoroji;
- 4) Mr. E J Kalwachia; and
- 5) Mr. H P Daruwalla.

The shareholding pattern of GIPL as on March 31, 2008 is as follows:

No.	Name of shareholder	Number of shares	% of shareholding
1	Mr. A B Godrej and Ms. P A Godrej	8,310	2.45
2	Ms. Nisaba A Godrej and Ms. P A Godrej	19,805	5.85
3	Mr. Pirojsha A Godrej and Ms. P A Godrej	19,805	5.85
4	Ms. Tanya A Godrej and Ms. P A Godrej	19,805	5.85
5	Ms. Raika J Godrej and Ms. P J Godrej	33,863	10.00
6	Mr. Navroze J Godrej and Ms. P J Godrej	33,862	10.00
7	Mr. Nadir B Godrej and Mr. R N Godrej	40,635	12.00
8	Mr. Nadir B Godrej	27,090	8.00
9	Mr. Rishad K. Naoroji	67,725	20.00

No.	Name of shareholder	Number of shares	% of shareholding
10	Ms. Freyan V Crishna and Ms. S V Crishna	33,863	10.00
11	Ms. Nyrika V Crishna and Ms. S V Crishna	33,862	10.00
Total		338,625	100.00

The summary audited financial statements for the last three financial years are as follows:

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity capital	33.86	33.86	33.86
Reserves and Surplus (excluding revaluation reserve)	205.18	151.44	112.40
Total income	78.37	51.69	44.20
Profit / (loss) after tax	53.74	39.04	37.44
Earning per share	158.69	115.29	110.57
Book value per share (Net Asset Value)	705.92	547.23	431.94

GIPL has not made any public or rights issue in the last three years

GIPL is not a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

17) Godrej Oil Plantation Limited (“GOPL”)

GOPL was incorporated on August 18, 2006. GOPL is engaged in the business of planting varieties of oil seeds such as palm, coconuts, sunflower, rapeseeds, mustard, soybean, groundnut, safflower and cotton. GOPL is a wholly owned subsidiary of Godrej Agrovet Limited.

The registered office of GOPL is located at Pirojshanagar, Eastern Express Highway, Vikroli (East), Mumbai 400 079.

The directors of GOPL are:

- 1) Mr. B. S. Yadav;
- 2) Mr. R. S. Vijan; and
- 3) Mr. S. K. Gupta.

The shareholding pattern of GOPL as on March 31, 2008 is as follows:

Name of shareholder	Number of shares held	% of shareholding
Godrej Agrovet Limited*	50,000	100.00
Total	50,000	100.00

* Includes 6 shares held jointly with 6 individuals i.e. Mr. Nadir B. Godrej, Mr. B. S. Yadav, Dr. P. N. Narkhede, Mr. V. V. Chaubal, Mr. R. S. Vijan, Mr. S. Varadaraj

The summary audited financial statements for the period August 18, 2006 to March 31, 2007 are as follows:

(Rs. in million except per share data)	
Particulars	For the year ended March 31, 2007
Equity capital	0.50
Reserves and Surplus (Excluding Revaluation Reserve)	Nil
Total Income	27.75
Profit / (Loss) After Tax	(1.56)
Earning Per Share	(31.14)
Book Value per Share (Net Asset Value)	10.00

GOPL has not made any public or rights issue in the last three years except for the issue of 20,500 equity shares to Godrej Agrovet Limited as a consideration for demerger.

GOPL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is under winding up.

18) Godrej Sara Lee Limited (GSLI)

GSLI was incorporated on April 10, 1987. It is involved in the business of manufacture and marketing of mosquito repellants, air care, hair care, shoe care and home care products.

The registered office of GSLI is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GSLI are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. A. Mahendran;
- 3) Mr. Nadir B. Godrej;
- 4) Mr. Jamshyd N. Godrej;
- 5) Mr. Gary Brown;
- 6) Ms. Carrie Teffner;
- 7) Mr. Ravi Venkateswar; and
- 8) Mr. Vincent Janssen.

The shareholding pattern of GSLI as on March 31, 2008 is as follows:

No.	Name of Shareholder	No. of Shares Held	% of shareholding
1	Sara Lee Mauritius Holding Private Limited	13,024,125	51.00
2	Godrej Industries Limited*	5,107,125	20.00
3	Godrej & Boyce Manufacturing Company Limited [#]	7,406,250	29.00
	TOTAL	25,537,500	100.00

*Includes 3 shares held jointly with 3 individuals i.e. Mr. Adi B. Godrej, Mr. Nadir B. Godrej and Ms. Tanya Dubash

[#]Includes 4 shares held jointly with Mr. Jamshyd N. Godrej

The summary audited financial statement for the last three financial years are as follows

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	102.15	102.15	102.15
Reserves and Surplus (Excluding Revaluation Reserve)	872.14	568.51	528.08
Total Income	5230.42	4479.90	4410.10
Profit / (Loss) After Tax	667.62	542.74	384.79
Earning Per Share	26.14	21.25	15.07
Book Value per Share (Net Asset Value)	32.20	19.61	17.32

GSLI has not made any public or rights issue in the last three years.

GSLI has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 as amended nor is under winding up.

19) Golden Feed Products Limited (“GFPL”)

GFPL was incorporated on May 27, 2003. GFPL is engaged in the shrimp feed business. GFPL is a wholly owned subsidiary of Godrej Agrovet Limited.

The registered office of GFPL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GFPL are:

- 1) Mr. B. S. Yadav;
- 2) Dr. S. L. Anaokar;
- 3) Dr. P. N. Narkhede; and
- 4) Dr. S. S. Sindhu.

Shareholding pattern of GFPL as on March 31, 2008 is as follows:

Name of shareholder	Number of shares held	% of shareholding
Godrej Agrovet Limited*	50,000	100.00
Total	50,000	100.00

* Includes 7 shares held jointly with 7 individuals i.e. Mr. V. V. Chaubal, Dr. P. N. Narkhede, Dr. S. S. Sindhu, Dr. B. N. Vyas, Mr. R. S. Vijan, Mr. V. K. Khot and Mr. B. S. Yadav

The summary audited financial statements for the last three financial years are as follows

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Share Capital	0.50	0.50	0.50
Reserves & Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	94.08	34.60	Nil
Profit / (Loss) After Tax	(1.56)	(14.00)	Nil
Earning Per Share	(31)	(280)	Nil
Book Value per Share (Net Asset Value)	10	10	Nil

GFPL has not made any public or rights issue in the last three years.

GFPL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is under winding up.

20) Goldmohur Foods and Feeds Limited (“GFFL”)

GFFL was incorporated on November 2, 1974. GFFL is engaged business of manufacturing and marketing of animal feeds including poultry feed, broiler feeds, pellets and mash and cattle feed. GFFL is a wholly owned subsidiary of Godrej Agrovet Limited.

The registered office of GFFL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GFFL are:

- 1) Mr. Nadir B. Godrej;
- 2) Mr. B. S. Yadav;
- 3) Dr. S. L. Anaokar;
- 4) Mr. V. Srinivasan; and
- 5) Mr. R. S. Vijan.

The shareholding pattern of GFFL as on March 31, 2008 is as follows:

Name of shareholder	Number of shares held	% of shareholding
Godrej Agrovet Limited*	18,38,170	100
Total	18,38,170	100

* Includes 10 shares held jointly with 10 individuals i.e. Mr. Adi B. Godrej, Mr. Nadir B. Godrej, Dr. S. L. Anaokar, Mr. R. S. Vijan, Dr. P. N. Narkhede, Dr. B. N. Vyas, Mr. V. Srinivasan, Dr. S. S. Sindhu, Mr. V. V. Chaubal and Mr. B. S. Yadav

The summary audited financial statements for the last three financial years are as follows

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	18.38	18.38	18.38
Reserves and Surplus (Excluding Revaluation Reserve)	182.45	189.18	170.73
Total Income	3,263.51	2,958.77	3,086.07
Profit / (Loss) After Tax	32.04	53.80	34.54
Earning Per Share	17.43	29.27	16.02
Book Value per Share (Net Asset Value)	109.26	112.93	102.89

GFFL has not made a public issue or rights issue in the last three years.

GFFL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

A scheme of merger of GFFL with Godrej Agrovet Limited, its holding company, is currently in process. Pursuant to the scheme being approved by the court GFFL will be dissolved without winding up.

21) Mercury Manufacturing Company Limited (“MMCL”)

MMCL was incorporated on November 11, 1992. MMCL is engaged in the business of manufacturing and export of steel office furniture viz., filing and storage systems.

The registered office of MMCL is located at D-3, Phase – II, MEPZ – Special Economic Zone, Tambaram, Chennai – 600 045

The directors of MMCL are:

- 1) Dr. K. A. Palia;
- 2) Mr. P. D. Lam;
- 3) Mr. V. R. Dhala;
- 4) Mr. P. E. Fouzda; and
- 5) Mr. R. K. Shankar.

The shareholding pattern of MMCL as on March 31, 2008 is as follows:

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	Godrej (Singapore) Pte Limited	311,250	8.30
2.	Godrej Malasiya Sdn Bhd	311,250	8.30
3.	Steel Seal Equipment Limited Bahamas	1,867,500	49.80
4.	Godrej & Boyce Manufacturing Company Limited and nominees	1,260,000	33.60
Total		3,750,000	100.00

The summary audited financial statements for the last three financial years are as follows

Particulars	(Rs. in million except per share data)		
	For the year ended March 31, 2007	For the year ended March 31, 2006	For the year ended March 31, 2005
Equity Capital	37.50	37.50	37.50
Reserves and Surplus (Excluding Revaluation Reserve)	70.80	60.67	55.23
Total Income	249.82	248.57	174.18
Profit / (Loss) After Tax	20.94	13.99	13.52
Earning Per Share	5.58	3.73	3.61
Book Value per Share (Net Asset Value)	28.88	26.18	24.73

MMCL has not made any public or rights issue in the last three years.

MMCL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

22) Swadeshi Detergents Limited (“SWL”)

SWL was incorporated on May 23, 1974. SWL is not involved in any business since 1996.

The registered office of the SWL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of SWL are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. K. N. Petigara;
- 3) Mr. C. K. Vaidya; and
- 4) Mr. A. Choudhury.

The shareholding pattern of the SWL as on March 31, 2008 is as follows:

Sr. No.	Name of the Shareholder	No. of Shares held	% of shareholding
1)	Godrej Industries Limited	209,370	41.08
2)	Mr. A.B. Godrej jointly with Ms. P.A. Godrej	100	0.02
3)	Ms. Freyan V. Crishna	72,930	14.31
4)	Mr. Nadir B. Godrej jointly with Ms. R.N. Godrej	50	0.01
5)	Ms. N.A. Godrej jointly with Mr. Adi B. Godrej and Ms. P.A. Godrej	17	0.00
6)	Mr. P.A. Godrej jointly with Mr. Adi B. Godrej and Ms. P.A. Godrej	17	0.00
7)	Ms. T.A. Dubhash jointly with Mr. Adi B. Godrej and Ms. P.A. Godrej	16	0.00
8)	J.N. Godrej for Master Navroze J. Godrej	30	0.01
9)	Ms. N.A. Godrej	40,000	7.85
10)	Mr. Nadir B. Godrej	38,700	7.59
11)	Mr. P. J. Godrej	79,900	15.68
12)	Mr. Jamshyd N. Godrej jointly with Ms. P. J. Godrej	20	0.00
13)	Ms. Smita V. Crishna jointly Mr. V. M. Crishna	20	0.00
14)	Mr. Adi B. Godrej jointly with Ms Parmeshwar A. Godrej	20	0.00
15)	Mr. Nadir B. Godrej jointly with Ms. R. N. Godrej	20	0.00
16)	Mr. R. K. Naoroji jointly with Mr. Jamshyd N. Godrej/ Mr. Adi B. Godrej	20	0.00
17)	Ms. T.A. Dubhash jointly with Mr. Jamshyd N. Godrej and Mr. A.B. Godrej	37,000	7.26
18)	Mr. V. M. Crishna for Ms. N. V. Crishna	20	0.00
19)	Mr. R. J. Godrej	20	0.00
20)	Mr. R. K. Naoroji	31,400	6.16
Total		509,670	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)			
Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity Capital	5.09	5.09	5.09

Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Reserves and Surplus (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	1.77	1.32	1.88
Profit / (Loss) After Tax	1.22	0.16	0.38
Earning Per Share	2.39	0.11	0.74
Book Value per Share (Net Asset Value)	(17.28)	(19.67)	(19.79)

SWL has not made any public or rights issue in the last three years.

SWL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

23) Godrej Hershey Limited (GHL)

GHL was incorporated on February 7, 1997. GHL is involved in the business of producing, processing and selling food and beverage products including tea, fruit and vegetable drinks, juices, purees, pulps and concentrates, oils and soya based drinks, chocolates and syrup.

The registered office of GHL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GHL are:

- 1) Mr. Adi B. Godrej;
- 2) Mr. A. Mahendran;
- 3) Mr. Peter Frits Smit;
- 4) Mr. Mayank Bobby Agarwal; and
- 5) Mr. Thaddeus John Jastrzebski.

The shareholding pattern of GHL as on March 31, 2008 is as follows:

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	Godrej Industries Limited	27,931,753	43.00
2.	Adi B. Godrej	1	0
3.	Nadir B. Godrej	1	0
4.	Jamshyd N. Godrej	1	0
5.	V. M. Crishna	1	0
6.	A. Mahendran	3,897,454	6.00
7.	Hersheys Netherlands BV	33,128,362	51.00
	Total	64,957,573	100.00

The summary audited financial statements for the last three financial years are as follows:

(Rs. in million except per share data)

Particulars	For year ended March 31, 2007	For year ended March 31, 2006	For year ended March 31, 2005
Equity Capital	492.70	137.50	137.50
Reserves & Surplus (Excluding Revaluation Reserve)	1050.80	-	-
Total Income	1779.50	78.30	157.91
Profit / (Loss) After Tax	(187.90)	(171.70)	(214.26)
Earning Per Share	(6.00)	(12.49)	(15.58)
Book Value per Share (Net Asset Value)	27.51	15.32	(20.21)

GHL has made two issues of equity shares details of which are as follows:

a) 8,000,000 equity shares of Rs. 10/- each at a premium of Rs. 4/- per equity share were allotted on September 10, 2007 under Section 81(1) of the Companies Act; and

b) 7,686,274 equity shares of Rs. 10/- each at a premium of Rs. 66.50 per equity share were allotted on November 30, 2007 under Section 81(1) of the Companies Act.

GHL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

24) Godrej Foods Limited (GFL)

GFL was incorporated on January 11, 2008. GFL has been involved mainly in the poultry business but has not yet obtained the certificate of commencement of business.

The registered office of GFL is located at Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.

The directors of GFL are:

- 1) Mr. B. S. Yadav;
- 2) Mr. R. S. Vijan; and
- 3) Ms. Nisaba A. Godrej.

The details of the subscribers to the Memorandum of Association are as follows:

S.No.	Name of the Shareholder	No. of Shares held	% of shareholding
1.	Godrej Agrovet Limited*	50,000	100.00
	Total	50,000	100.00

* Includes 6 shares held jointly with Mr. B. S. Yadav, Mr. R. S. Vijan, Mr. S. Varadaraj, Dr. S. S. Sindhu, Dr. P. N. Narkhede and Mr. V. V. Chaubal

The allotment of shares to the subscribers to the Memorandum of Association has not yet taken place. Since GFL has been recently incorporated, the summary audited financial statements of the company are not available.

GFL has not become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985, as amended nor is it under winding up.

Compass BPO Limited, CBay Systems Limited (US), CBay Systems Holdings Limited (UK), Boston Analytics LLC and Hyca Technologies Private Limited are companies incorporated outside India and have not been promoted by our Promoters.

RELATED PARTY TRANSACTIONS

Please refer to page 162 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our board of directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company has no stated dividend policy.

The dividend paid by the Company in the last five fiscals is as provided herein:

	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008 [#]
Face Value Per share	10.00	10.00	10.00	10.00	10.00
Dividend (Rs. Million)*	20.00	25.50	62.00	270.00	246.12
Dividend per equity share (Rs.)	3.10	3.956	9.621	41.896	10.00
Dividend rate (% to paid up capital)	31.00%	39.56%	96.21%	418.96%	100.00%

* Excluding Corporate Dividend Tax

[#] Our Board of Directors in their meeting held on April 30, 2008 have recommended the final dividend which is subject to the approval of the shareholders

SECTION V - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

**TO THE BOARD OF DIRECTORS,
GODREJ PROPERTIES LIMITED**

Dear Sirs,

1. We have examined the attached financial information of **Godrej Properties Limited** ("the Company"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended to date ("the SEBI Guidelines") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated December 27, 2007 in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") for proposed issue of Equity shares of the Company.
2. These information have been extracted by the Management from financial statements for the year ended March 31, 2008, 2007, 2006, 2005 and 2004. Audit for the financial year ended March 31, 2007, 2006 and 2005 was conducted by previous auditors, **Kalyaniwalla Mistry & Associates, Chartered Accountants**, and accordingly reliance has been placed on the financial information examined by them for the said years.
3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:
 - a) The Summary Statement of Assets and Liabilities, as restated, of the Company as at March 31 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).
 - b) The Summary Statement of Profits and Losses, as restated, of the Company for the year ended March 31 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in Annexure II to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).
 - c) The Summary Statement of Cash Flows, as restated, of the Company for the year ended March 31, 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIV and XXV).

The Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, as restated, and more specifically described in point 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Financial Information'.

- d) Based on the above, we are of the opinion that the Restated Financial Information has been made after incorporating:

- i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - ii) Adjustments for the material amounts in the respective financial years to which they relate.
 - iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualifications requiring adjustments.
- e) We have also examined the following other financial information set out in the Annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2008, 2007, 2006, 2005 and 2004.
- i. Statement of Share Capital, as restated (Annexure IV)
 - ii. Statement of Reserves and Surplus, as restated (Annexure V)
 - iii. Statement of Secured Loan, as restated (Annexure VI)
 - iv. Statement of Unsecured Loan, as restated (Annexure VII)
 - v. Statement of Stocks, as restated (Annexure VIII)
 - vi. Statement of Debtors, as restated (Annexure IX)
 - vii. Statement of Loan and Advances as restated (Annexure X)
 - viii. Statement of Cash and Bank Balances, as restated (Annexure XI)
 - ix. Statement of Investments, as restated (Annexure XII)
 - x. Statement of Current Liabilities and Provisions, as restated (Annexure XIII)
 - xi. Statement of Sales and Other Income, as restated (Annexure XIV)
 - xii. Statement of Cost of Sales, as restated (Annexure XV)
 - xiii. Statement of Employee Remuneration and Benefits, as restated (Annexure XVI)
 - xiv. Statement of Administration Expenses, as restated (Annexure XVII)
 - xv. Statement of Interest and Finance Charges (net), as restated (Annexure XVIII)
 - xvi. Statement of the Dividend paid (Annexure XIX)
 - xvii. Statement of Accounting Ratios, as restated (Annexure XX)
 - xviii. Statement of Related Parties (Annexure XXI)
 - xix. Statement of Capitalisation as at March 31, 2008 (Annexure XXII)
 - xx. Statement of Tax Shelter (Annexure XXIII).
 - xxi. Statement of Significant Accounting Policies, as restated (Annexure XXIV)
 - xxii. Notes to the Statement of Assets and Liabilities & Profit and Losses, as restated (Annexure XXV)

In our opinion, the financial information contained in Annexure IV to XXIII of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (Refer Annexure XXIV and XXV) prepared after making adjustments and regroupings, as considered appropriate, have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines.

- 4) Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Date:

ANNEXURE I: SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
FIXED ASSETS					
Gross Block	54.14	44.40	36.38	27.75	27.96
Less : Accumulated Depreciation	27.36	20.34	14.67	14.30	13.96
Net Block	26.78	24.06	21.71	13.45	14.00
Capital Work in Progress / Advance	2.14	2.14	-	-	-
	28.92	26.20	21.71	13.45	14.00
INVESTMENTS					
	556.95	83.61	64.26	0.02	0.02
DEFERRED TAX ASSET					
	3.80	3.69	2.91	2.32	1.87
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	115.55	787.90	204.75	182.13	230.14
Sundry Debtors	4,057.12	2,197.88	828.11	409.60	387.68
Cash and Bank Balances	63.96	133.68	149.86	41.78	142.89
Loans & Advances	4,911.65	1,021.99	669.61	756.25	916.77
	9,148.28	4,141.45	1,852.33	1,389.76	1,677.48
LIABILITIES & PROVISIONS					
Secured Loan	985.76	173.90	15.55	187.26	377.07
Unsecured Loan	1,529.84	1,137.07	60.86	254.47	388.61
Current Liabilities	4,398.86	2,366.58	1,306.09	543.86	508.96
Provisions	401.95	127.14	92.76	4.66	32.45
	7,316.41	3,804.69	1,475.26	990.25	1,307.09
DEFERRED REVENUE EXPENDITURE					
	-	-	-	-	0.07
NET WORTH	2,421.54	450.26	465.95	415.30	386.35
REPRESENTED BY					
SHARE CAPITAL					
	604.20	64.45	64.45	64.45	64.45
RESERVES & SURPLUS					
	1,817.34	385.81	401.50	350.85	321.90

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
NET WORTH	2,421.54	450.26	465.95	415.30	386.35

ANNEXURE II : SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
INCOME					
Sales	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income	309.53	199.78	129.88	77.09	15.46
Other Income	0.63	0.37	6.99	2.16	0.65
Total Income	2,275.00	1,372.62	704.58	418.48	406.83
EXPENDITURE					
Cost of Sales	867.86	758.40	425.25	261.36	316.69
Employee Remuneration & Benefits	97.96	69.48	22.93	18.53	10.97
Administration Expenses	109.33	35.36	19.77	11.70	15.79
Interest & Finance Charges (Net)	38.18	41.52	52.98	35.60	14.65
Depreciation	8.49	6.88	5.07	3.32	2.72
Total Expenditure	1,121.82	911.64	526.00	330.51	360.82
PROFIT BEFORE TAX	1,153.18	460.98	178.58	87.97	46.01
PROVISION					
For Current Tax	(392.80)	(168.81)	(57.34)	(30.65)	(18.02)
For Fringe Benefit Tax	(1.25)	(0.77)	(0.49)	-	-
For Deferred Tax	0.11	0.78	0.59	0.46	0.10
PROFIT AFTER TAX	759.24	292.18	121.34	57.78	28.09
Surplus Brought Forward	56.71	113.85	76.59	53.48	50.78
AMOUNT AVAILABLE FOR APPROPRIATION	815.95	406.03	197.93	111.26	78.87
<u>Less:</u>					
Interim Dividend	-	270.00	62.00	25.50	-
Proposed Dividend	246.12	-	-	-	20.00
Dividend Distribution Tax	41.83	37.87	8.69	3.33	2.56
Transfer to General Reserve	76.00	41.45	13.39	5.84	2.83
SURPLUS CARRIED FORWARD TO `BALANCE SHEET	452.00	56.71	113.85	76.59	53.48

ANNEXURE III : STATEMENT OF CASH FLOWS, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
CASH FLOW FROM OPERATING ACTIVITIES					
Profit Before Tax	1,153.18	460.98	178.58	87.97	46.01
Adjustments for:					
Depreciation	8.49	6.88	5.07	3.32	2.72
Profit / (loss) on disposal of Fixed Assets	0.29	(0.04)	(5.38)	0.18	0.07
Interest Charges	270.04	124.55	77.73	79.25	59.28
Interest Income	(231.86)	(83.03)	(24.75)	(43.65)	(44.63)
Dividend Income	(0.03)	_*	_*	_*	_*
Deferred Revenue Expenditure	-	-	-	0.07	0.23
Provision for Dimunition in value of Investment					
/ (Written Back)	(0.01)	-	0.01	_*	_*
Operating Profit before working capital changes	1,200.10	509.34	231.26	127.14	63.68
Adjustments for:					
Changes in Trade and Other receivables	(1,859.24)	(1,369.78)	(418.51)	(21.91)	(365.62)
Changes in Loans & Advances	(3,865.28)	(343.38)	83.42	164.21	(61.07)
Changes in Inventories	672.35	(583.15)	(22.62)	48.01	(4.71)
Changes in Current Liabilities & Provisions	2,035.37	1,060.98	762.98	36.32	421.28
	(1,816.70)	(725.99)	636.53	353.77	53.56
Direct Taxes paid	(410.28)	(65.00)	(37.44)	(40.31)	(14.47)
NET CASH FLOW FROM OPERATING ACTIVITIES	(2,226.98)	(790.99)	599.09	313.46	39.09
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of Fixed Assets	0.20	0.28	7.75	0.42	4.87
Purchase of Fixed Assets	(11.71)	(11.60)	(15.70)	(3.36)	(9.37)
Purchase of Investments	(473.32)	(19.35)	(64.25)	-	-
Interest Received	207.47	74.04	24.26	43.67	44.62
Dividend Received	0.03	_*	_*	_*	_*
NET CASH FLOW FROM INVESTING ACTIVITIES	(277.33)	43.37	(47.94)	40.73	40.12
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of Equity Share Capital	1500.00	-	-	-	-
Proceeds from / (Repayment of) Secured Term Loan	-	(0.25)	(9.07)	(95.00)	62.50

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Change in Secured Working Capital Loan	811.86	158.59	(162.63)	(94.81)	18.66
Proceeds from / (Repayment of) Unsecured Term Loan	290.00	1,015.00	(170.00)	(25.00)	27.50
Change in Unsecured Working Capital Loan	110.57	50.17	-	-	-
Proceeds from / (Repayment of) Fixed Deposits	2.20	1.04	(21.12)	(6.64)	(29.31)
Proceeds from / (Repayment of) Inter Company Deposit	(10.00)	10.00	(2.50)	(102.50)	30.00
Interest Paid	(270.04)	(124.55)	(77.75)	(79.96)	(61.56)
Dividend paid (including Tax)	-	(378.56)	-	(51.39)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	2,434.59	731.44	(443.07)	(455.30)	47.79
Net Increase/ (Decrease) in Cash and Cash Equivalents	(69.72)	(16.18)	108.08	(101.11)	127.00
Opening Cash and Cash Equivalents	133.68	149.86	41.78	142.89	15.89
Closing Cash and Cash Equivalents	63.96	133.68	149.86	41.78	142.89

* Represents amount less than Rs. 10,000/-

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

ANNEXURE IV : STATEMENT OF SHARE CAPITAL, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
AUTHORISED					
100,000,000 Equity Shares of Rs 10/- each (Previous Year 10,000,000 Equity Shares of Rs. 10/- each)	1,000.00	100.00	100.00	100.00	100.00
ISSUED, SUBSCRIBED AND PAID UP	604.20	64.45	64.45	64.45	64.45
60,420,259 Equity Shares of Rs 10/- each					
(Previous Year 6,444,545 Equity Shares of Rs. 10/- each)					
Notes:					
1	Of the above 54,203,845 (Previous Year 2,647,485) shares issued as Bonus Shares by capitalising Share Premium, General Reserve & Profit & Loss Account				
2	Of the above 49,358,459 (Previous Year 5,264,645) shares are held by Godrej Industries Ltd, the Holding Company.				

ANNEXURE - V: STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
Share Premium	1,475.81	245.17	245.17	245.17	245.17
General Reserve	76.00	83.93	42.48	29.09	23.25
Surplus as per Profit and Loss Account	452.00	56.71	113.85	76.59	53.48
Less: Utilised for issue of Bonus Shares					
during the year	(186.47)	-	-	-	-
	265.53	56.71	113.85	76.59	53.48
TOTAL	1,817.34	385.81	401.50	350.85	321.90

NOTE :

During the current year the Company has utilised General Reserve of Rs. 83.93 Million, Share Premium of Rs. 245.17 Million and Surplus as per Profit and Loss Account of Rs.186.47 Million for issue of Bonus shares & received Share Premium of Rs. 1,475.81 Million on issue of Right shares.

ANNEXURE VI: STATEMENT OF SECURED LOANS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
TERM LOANS					
Bank of Baroda	-	-	-	-	5.00
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)					
State Bank of Bikaner & Jaipur	-	-	-	4.32	49.32
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Glenelg - Cuffe Parade)					
UTI Bank Limited	-	-	0.25	5.00	50.00
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Castlemaine - Pune)					
	-	-	0.25	9.32	104.32
WORKING CAPITAL LOANS					
State Bank of India	985.76	173.90	15.30	5.17	16.17
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
State Bank of India FCNR 'B'	-	-	-	-	181.02
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
Bank of Baroda FCNR 'B'	-	-	-	12.77	75.56
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)					
State Bank of India - Commercial Paper	-	-	-	160.00	-
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
	985.76	173.90	15.30	177.94	272.75
TOTAL	985.76	173.90	15.55	187.26	377.07

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Of the Above,					
Repayable within a year	-	-	0.25	173.58	253.58
(Excluding Cash Credit)					

ANNEXURE - VII: STATEMENT OF UNSECURED LOANS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
SHORT TERM LOANS					
State Bank of Hyderabad	-	-	-	-	10.00
UTI Bank Limited	-	-	-	-	20.00
IDBI Bank Limited	-	-	-	10.00	20.00
State Bank of Patiala	-	-	-	45.00	50.00
State Bank of Saurashtra	-	-	-	25.00	50.00
Indusind Bank Limited	-	-	-	-	90.00
The Bank of Rajasthan Limited	-	-	-	35.00	-
The Catholic Syrian Bank Ltd	100.00	-	-	-	-
State Bank of Travancore	-	-	-	50.00	-
UCO Bank	-	-	45.00	50.00	-
IDBI Bank Limited	-	60.00	-	-	-
Punjab & Sind Bank	250.00	250.00	-	-	-
Central Bank of India	1,000.00	500.00	-	-	-
J & K Bank Limited	-	250.00	-	-	-
	1,350.00	1,060.00	45.00	215.00	240.00
WORKING CAPITAL LOANS					
IDBI Bank Limited	160.74	50.17	-	-	-
	160.74	50.17	-	-	-
FIXED DEPOSITS					
Directors	18.84	15.34	11.20	9.50	10.00
Others	0.26	1.56	4.66	27.47	33.61
	19.10	16.90	15.86	36.97	43.61
INTERCORPORATE DEPOSITS					
	-	10.00	-	2.50	105.00
	-	10.00	-	2.50	105.00
TOTAL	1,529.84	1,137.07	60.86	254.47	388.61
Of the Above,					
Repayable within a year	1,369.10	1,087.63	60.86	250.07	371.58

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
(Excluding Cash Credit)					

ANNEXURE - VIII: STATEMENT OF STOCKS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Stock in Trade	24.27	19.33	69.28	61.58	64.10
Construction Work in Progress	91.28	768.57	135.47	120.55	166.04
TOTAL	115.55	787.90	204.75	182.13	230.14

ANNEXURE - IX: STATEMENT OF DEBTORS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
SUNDRY DEBTORS					
(Unsecured, considered good)					
Debts over six months	11.91	14.21	15.95	24.24	32.00
	11.91	14.21	15.95	24.24	32.00
Other debts	4,045.21	2,183.67	812.16	385.36	355.68
	4,045.21	2,183.67	812.16	385.36	355.68
TOTAL	4,057.12	2,197.88	828.11	409.60	387.68

ANNEXURE - X: STATEMENT OF LOANS AND ADVANCES, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
LOANS AND ADVANCES					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received					
- Due from companies under the same management	2,513.60	312.84	29.81	28.50	32.32
- Due from Directors	-	-	-*	0.02	0.04
- Due from Others	19.20	75.10	14.66	5.04	5.29
Loans to GIL ESOP Trust	77.43	62.80	18.55	-	-
Loans to GPL ESOP Trust	275.16	-	-	-	-
Development management Fees accrued but not due	170.24	170.30	197.22	249.63	249.64
Due on Management Projects	1,183.46	359.71	333.13	356.90	531.69
Deposits	638.68	31.74	75.75	112.44	97.77
Interest Accrued	33.88	9.50	0.49	-	0.02
Taxes paid (Net of provisions)	-	-	-	3.72	-
TOTAL	4,911.65	1,021.99	669.61	756.25	916.77
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XI: STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Cash & Cheques in hand	0.18	10.83	0.09	0.01	100.04
Bank balances with scheduled banks in:-					
Current Accounts	20.72	82.80	10.45	3.64	0.52
Fixed Deposits	43.06	40.05	139.32	38.13	42.33
TOTAL	63.96	133.68	149.86	41.78	142.89

ANNEXURE XII : STATEMENT OF INVESTMENTS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Long Term (At Cost)					
Quoted Investments	0.02	*_	*_	0.01	0.01
In Shares (Net of Provision for Diminution in Value)					
Unquoted Investments	0.01	0.01	0.01	0.01	0.01
In Shares					
	0.03	0.01	0.01	0.02	0.02
Investments in Subsidiary Companies					
Godrej Realty Pvt. Ltd.					
510,000 Equity Shares of Rs.10/- each	5.10	5.10	5.10	-	-
7,650,000 10% Secured Redeemable Optionally	76.50	76.50	58.65	-	-
Convertible Debentures of Rs. 10/- each					
Godrej Waterside Properties Pvt. Ltd.					
510,000 Equity Shares of Rs.10/- each	5.10	0.50	0.50	-	-
14,790,000 10% Secured Redeemable Optionally	147.90	-	-	-	-
Convertible Debentures of Rs. 10/- each					
Godrej Sea View Properties Pvt. Ltd.					
50,000 Equity Shares of Rs.10/- each	0.50	0.50	-	-	-
Godrej Real Estate Pvt. Ltd.					
50,000 Equity Shares of Rs.10/- each	0.50	0.50	-	-	-
Godrej Developers Pvt. Ltd.					
50,000 Equity Shares of Rs.10/- each	0.50	0.50	-	-	-
10,000 10% Non Convertible Cumulative	0.10	-	-	-	-
Redeemable Preference Shares of Rs. 10/- each					
Happy Highrises Limited	320.72	-	-	-	-
203,120 Equity Shares of Rs. 10/- each					
	556.92	83.60	64.25	-	-
TOTAL	556.95	83.61	64.26	0.02	0.02

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
1. Cost of Quoted Investments	0.02	0.02	0.02	0.02	0.02
2. Market Value of Quoted Investments	3.91	2.68	0.15	0.06	0.01
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XIII: STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
CURRENT LIABILITIES					
Acceptances	-	-	-	5.68	3.20
Sundry Creditors	145.42	57.49	28.03	48.07	60.35
Investor Education and Protection Fund	-	-	-	-	-
Advances received against Sale	3,375.12	1,880.54	764.70	292.87	250.63
Deposits	0.41	0.41	24.65	23.94	26.31
Unclaimed Fixed Deposit	1.20	1.69	4.04	3.60	4.67
Other liabilities	687.13	307.13	225.92	148.38	163.08
Due to Management Projects	189.58	119.32	258.75	21.30	-
Interest Accrued but not due on Loans	-	-	-	0.02	0.72
	4,398.86	2,366.58	1,306.09	543.86	508.96
PROVISIONS					
Gratuity	4.21	3.08	2.76	2.22	1.88
Leave Encashment	4.77	2.81	2.63	2.44	2.06
Interim Dividend	-	-	62.00	-	-
Proposed Dividend	246.12	-	-	-	20.00
Tax on Dividend	41.83	-	8.69	-	2.56
Taxation (Net of advance tax & tax deducted at source)	105.02	121.25	16.68	-	5.95
	401.95	127.14	92.76	4.66	32.45
TOTAL	4,800.81	2,493.72	1,398.85	548.52	541.41

ANNEXURE - XIV: STATEMENT OF SALES AND OTHER INCOME, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Sales	1,964.84	1,172.47	567.71	339.23	390.72
	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income					
Income from Development Projects	289.04	71.07	76.74	51.50	12.17
Compensation Received	10.00	120.00	-	-	-
Project Management Fees	0.03	0.01	_*	0.01	0.02
Other Income from Customers	10.44	3.51	-	-	2.62
Lease Rent	0.01	5.18	53.13	25.57	0.64
License Fees	0.01	0.01	0.01	0.01	0.01
	309.53	199.78	129.88	77.09	15.46
Other Income					
Dividend	0.03	_*	_*	_*	_*
Profit on disposal of Fixed Assets (Net)	-	0.04	5.38	-	-
Miscellaneous Income	0.60	0.33	1.61	2.16	0.65
	0.63	0.37	6.99	2.16	0.65
TOTAL	2,275.00	1,372.62	704.58	418.48	406.83
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XV : STATEMENT OF COST OF SALES, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
Own Projects Cost					
Opening Stock	787.90	204.75	182.13	230.14	224.97
Add : Expenditure/ Transfers from Advances					
during the year	804.25	1,253.18	385.83	127.99	267.63
Less : Transferred to Subsidiary Company	(641.68)	-	-	-	-
Less : Closing Stock	(115.55)	(787.90)	(204.75)	(182.13)	(230.14)
	834.92	670.03	363.21	176.00	262.46
Development Project Cost	32.94	88.37	62.04	85.36	54.23
TOTAL	867.86	758.40	425.25	261.36	316.69

**ANNEXURE - XVI : STATEMENT OF EMPLOYEE REMUNERATION & BENEFITS , AS
RESTATED**

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Salaries, Wages and Bonus	92.86	65.89	19.86	15.95	9.23
Contribution to Provident and Other Funds	4.30	2.95	2.03	1.43	1.07
Other Employee Benefits	0.80	0.64	1.04	1.15	0.67
TOTAL	97.96	69.48	22.93	18.53	10.97

ANNEXURE - XVII : STATEMENT OF ADMINISTRATION EXPENSES, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Cost of Project Management	1.23	0.53	0.17	0.26	0.69
Consultancy Charges	67.20	11.17	4.37	1.30	0.80
Service Charges	0.13	0.11	0.24	0.25	0.70
Compensation Claims	0.75	-	-	0.79	3.42
Loss on Sale of Fixed Assets (Net)	0.29	-	-	0.18	0.07
Power & Fuel	1.16	1.05	0.15	0.13	0.23
Rent	11.45	9.42	2.09	2.37	0.63
Insurance	0.88	0.84	0.27	0.08	0.05
Rates & Taxes	0.05	0.02	0.47	0.44	.*
Repairs & Maintenance	0.12	0.48	0.48	1.18	0.44
Other Operating Expenses	26.08	11.74	11.52	4.65	8.53
Provision for Diminution in Value of Investments / (written back)	(0.01)	-	0.01	.*	.*
Deferred Revenue Expenditure Written Off	-	-	.*	0.07	0.23
TOTAL	109.33	35.36	19.77	11.70	15.79
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XVIII : STATEMENT OF INTEREST & FINANCE CHARGES (NET), AS RESTATED

PARTICULARS	Rs. in Million				
	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
INTEREST AND FINANCE CHARGES (NET)					
Interest Paid					
- Banks	211.83	48.57	14.63	38.90	40.70
- Inter Corporate Deposits	3.19	15.81	3.53	8.25	13.32
- Projects and landlords	44.47	53.17	48.61	9.75	4.01
- Others	3.45	0.59	9.02	20.37	-
Total Interest Paid	262.94	118.14	75.79	77.27	58.03
Add : Brokerage & other Financial charges	7.10	6.41	1.94	1.98	1.25
Total Interest & Finance Charges Paid	270.04	124.55	77.73	79.25	59.28
Less: Interest Received (Gross)					
- Customers	-	_*	-	_*	0.17
- Projects and landlords	191.70	73.64	22.52	43.33	43.86
- Others	40.16	9.39	2.23	0.32	0.60
Less: Interest Received (Gross)	231.86	83.03	24.75	43.65	44.63
NET INTEREST	38.18	41.52	52.98	35.60	14.65
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XIX : STATEMENT OF DIVIDEND PAID

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
Number of Equity Shares (No. in Million)	60.42	6.44	6.44	6.44	6.44
Face Value of Equity Shares - Rs.	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)					
Interim	-	419%	96%	40%	-
Proposed - Final	100%	-	-	-	31%
Amount of Dividend on Equity Shares					
Interim	-	270.00	62.00	25.50	-
Proposed - Final	246.12	-	-	-	20.00
Total Tax on Dividend	41.83	37.87	8.70	3.33	2.56

ANNEXURE XX: SUMMARY OF ACCOUNTING RATIOS, AS RESTATED

		Rs. in Million				
PARTICULARS		FOR THE YEAR ENDED MARCH 31,				
		2008	2007	2006	2005	2004
1)	Adjusted profit to income from operations (%)	50.70	33.59	25.60	21.13	11.33
2)	(a) Earnings per share Rs.	10.64	7.15	2.30	1.01	0.42
	(b) Restated earnings per share Rs.	12.93	5.04	2.09	1.00	0.48
3)	(a) Cash earnings per share Rs.	10.78	7.26	2.38	1.07	0.47
	(b) Restated cash earnings per share Rs.	13.08	5.16	2.18	1.05	0.53
4)	(a) Net asset value per share Rs.	41.24	90.78	74.24	64.54	60.33
	(b) Restated net asset value per share Rs.	41.24	7.76	8.03	7.16	6.66
5)	Return on net worth (%)	31.35	64.89	26.04	13.91	7.27
6)	(a) No. of shares *	60,420,259	6,444,545	6,444,545	6,444,545	6,444,545
	(b) Weighted Average no. of shares *	58,714,813	58,000,905	58,000,905	58,000,905	58,000,905
* Equity shares of Rs. 10 each						
Notes :						
1) The ratios have been computed as follows :						
Adjusted Profit to Income from Operations (%) =		$\frac{\text{Adjusted Profit before Tax}}{\text{Income from Operations}}$				
Earning per Share - Basic and Diluted =		$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Weighted average number of equity shares outstanding during the year}}$				
Cash Earning per Share =		$\frac{\text{Adjusted Profit after Tax but before Depreciation}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$				
Net Asset Value per Share =		$\frac{\text{Net Worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$				
Return on Net Worth =		$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Net Worth excluding Revaluation Reserve}}$				
2) Earnings per share has been calculated in accordance with Accounting Standard 20 - Earnings per share issued by The Institute of Chartered Accountants of India						
3) Restated profit / (loss) has been considered for the purpose of computing the above ratios						

ANNEXURE XXI : RELATED PARTY DISCLOSURES

Related party disclosures as required by AS - 18, " Related Party Disclosures", are given below:

1 Relationships

(i) Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 81.69% shares in the company. GIL is the subsidiary of Godrej & Boyce Mfg Co Limited, the Ultimate Holding Company.

(ii) Subsidiary Company at any time during the year

Girikandra Holiday Homes & Resorts Limited (100%)

Godrej Realty Private Limited (51%)

Godrej Waterside Properties Private Limited (51%)

Godrej Developers Private Limited (100%)

Godrej Sea View Private Limited (100%)

Godrej Real Estate Private Limited (100%)

Happy Highrises Limited (100%)

(iii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited

Bahar Agrochem & Feeds Private Limited

Ensemble Holdings & Finance Limited

Godrej Appliances Limited

Godrej Agrovat Limited

Godrej Consumer Products Limited

Godrej Hicare Limited

Godrej Hershey Limited

Godrej Infotech Limited

Lawkim Limited

(iv) Key Management Personnel

Mr. Milind Surendra Korde

(v) Individuals exercising significant influence :

Mr. A. B. Godrej

Mr. N. B. Godrej

ANNEXURE XXI : RELATED PARTY DISCLOSURES (CONTD.)

		Rs. in Million				
PARTICULARS		AS AT MARCH 31,				
		2008	2007	2006	2005	2004
2	Transactions undertaken/ balances outstanding with related parties:					
(i) Holding Company						
Transactions during the year						
	Issue of Equity Share Capital	1500.00	-	-	-	-
	Purchase of Fixed Assets	0.69	2.89	3.42	0.87	4.73
	Sale of Fixed Assets	-	-	-	-	4.00
	Advances given	0.65	-	-	-	-
	Advance Received against Sale of Flats	16.87	-	-	-	-
	Deposits Given	0.68	1.00	0.35	-	-
	Deposit Repaid	0.68	-	0.33	-	-
	Inter Corporate Deposits taken	-	-	-	130.00	218.50
	Inter Corporate Deposits repaid	-	-	-	130.00	218.50
	Interest Expense on Inter Corporate Deposits taken	-	-	-	2.30	1.44
	Construction & other expenses incurred on behalf of others	0.42	1.97	1.72	0.07	0.27
	Expenses charged by other companies	110.60	84.05	29.10	34.08	25.94
	Expenses re-imbursed by other companies	-	-	-	-	-
	Dividend Paid	-	220.57	50.65	20.08	15.75
	Outstanding receivables, net of payables	(16.97)	(5.60)	0.79	(3.50)	(0.58)
	Deposit Receivable	1.35	1.35	0.35	0.33	0.33
(ii) Subsidiary Companies						
Transactions during the year						
	Investment in Equity Shares / Preference Shares	325.42	1.50	5.60	-	-
	Investment in Debentures	147.90	17.85	58.65	-	-
	Sale of Fixed Assets	-	-	0.10	-	-
	Advances given	1396.81	4.20	-	-	-
	Advances received	-	4.20	-	-	-
	Construction & other expenses incurred on behalf of others	985.49	358.97	15.82	-	-
	Expenses charged by other companies	-	2.66	-	-	-
	Outstanding Receivables, net of payables	2512.23	311.47	29.47	28.05	27.86
	Debentures Outstanding	224.40	76.50	58.65	-	-

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
(iii) Entities under the same management					
Transactions during the year					
Purchase of Fixed Assets	-	0.08	0.64	0.09	_*
Inter Corporate Deposit given	150.00	-	-	-	-
Inter Corporate Deposit repaid	150.00	-	-	-	-
Inter Corporate Deposits taken	-	-	-	-	13.00
Inter Corporate Deposits repaid	-	-	-	-	13.00
Interest Received on Inter Corporate Deposit	5.05	-	-	-	-
Interest Expense on Inter Corporate Deposits taken	-	-	-	-	0.04
Expenses charged by other companies	0.46	0.76	0.12	0.15	0.01
Dividend Paid	-	9.16	2.10	1.62	1.27
Outstanding receivables, net of payables	-	(0.05)	(0.03)	-	-
(iv) Key management personnel					
Transactions during the year					
Remuneration	18.98	13.66	6.21	4.27	3.25
Reimbursement of Travel expenses	0.19	0.19	0.32	0.02	-
Interest income on Loans given	-	-	_*	_*	0.01
Dividend paid	-	8.05	1.85	0.60	0.60
Outstanding Loans receivable	-	-	-	-	0.04

ANNEXURE XXII: CAPITALISATION STATEMENT

PARTICULARS	Rs. in Million	
	AS AT	
	March 31, 2008	POST ISSUE
Borrowings		
Short term debt	2,515.60	[●]
Long term debt	-	[●]
Total debt	2,515.60	[●]
Shareholders' funds		
Share capital	604.20	[●]
Reserves	1,817.34	[●]
Total shareholders' funds	2,421.54	[●]
Long-term debt/equity ratio	-	[●]
Total debt/equity ratio	1.04	[●]
Notes:		
1. Short term debts represent debts which are due within twelve months from March 31, 2008.		
2. Long term debts represent debts other than short term debts, as defined above.		
3. The figures disclosed above are based on the Summary Statement of Assets and Liabilities, as Restated of the Company as at March 31, 2008.		
4. Long Term Debts/ Equity = $\frac{\text{Long Term Debts}}{\text{Shareholders' Funds}}$		
5. The Corresponding Post issue figures are not determinable at this stage pending the completion of Book Building Process and hence have not been furnished.		

ANNEXURE XXIII: STATEMENT OF TAX SHELTERS

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
Profit before tax as restated	1,153.18	460.98	178.58	87.97	46.01
Tax rate (%)	33.99	33.66	33.66	36.59	35.88
Tax as per actual rate on profits (A)	391.97	155.16	60.11	32.19	16.51
Adjustments:					
Permanent differences					
Indexation difference in long term capital gain/ loss	-	-	(1.82)	-	-
Deduction under section 24 of the Income tax Act, 1961.	*-	(0.13)	(4.17)	(2.76)	(0.02)
Dividend (exempt from tax)	(0.01)	*-	*-	*-	*-
Others	-	-	0.01	(0.08)	*-
Donations	-	*-	-	0.27	-
Difference in Short Term Capital Gain	-	-	0.23	-	-
Total permanent difference (B)	(0.01)	(0.13)	(5.75)	(2.57)	(0.02)
Timing difference					
Tax depreciation and book value depreciation	(0.09)	(0.11)	0.44	0.17	0.10
Provision for Diminution in value of Investment	*-	-	*-	*-	*-
Others	(0.07)	0.03	0.09	-	-
Provision for retirement benefits	0.99	1.06	0.40	0.15	0.03
Total timing difference (C)	0.83	0.98	0.93	0.32	0.13
Total adjustments (B+C) =D	0.82	0.85	(4.82)	(2.25)	0.11
Tax payable for the period/ year (A+D)	392.79	156.01	55.29	29.94	16.62
Current tax	392.79	156.01	55.29	29.94	16.62
Interest under section 234B, 234C of the Income tax Act, 1961 (as per income tax return)	-	12.78	1.99	0.69	1.36
Total tax payable	392.79	168.79	57.28	30.63	17.98
Notes:					
1. The Information pertaining to the years ended 31st March, 2003 to 31st March, 2007 are as per the Return of Income filed by the Company. The information pertaining to the year ended 31st March, 2008 are as per computation of Income Tax. The effects of Assessment / Appellate orders have not been considered above.					
2. * Represents amount less than Rs 10,000/-					

ANNEXURE XXIV: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Policies

a) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

c) Depreciation / Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortized over a period of five years.

Intangible Assets are amortized over a period of six years.

d) Investments

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

e) Inventories

Inventories are valued as under :

- | | |
|-----------------------------------|------------------------------------|
| a) Completed Flats | - At lower of Cost or Market value |
| b) Construction Work- in-Progress | - At cost |

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

f) Revenue Recognition

The Company is following the “Percentage of Completion Method” of accounting. As per this method, revenue in Profit & Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

Income from operation of commercial complexes is recognized over the tenure of the lease / service agreement.

Interest income is accounted on an accrual basis at contracted rates.

Dividend income is recognized when the right to receive the same is established.

g) Development Manager Fees

The company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on an accrual basis on percentage of completion or as per the terms of the agreement.

h) Employee Benefits

a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives, etc. are recognized at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz., leave encashment is recognized as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the

Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

i) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects are transferred to Construction Work in Progress / Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost / rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

j) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

k) Provision For Taxation

Tax expense comprises both current, deferred & fringe benefit tax.

Current and fringe benefit tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

l) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year-end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains / losses are recognised in the Profit and Loss Account.

m) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

n) Miscellaneous Expenditure

Miscellaneous expenditure is amortized over a period of 10 years

o) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

ANNEXURE XXV: NOTES TO THE STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED

2) Adjustments Relating to Previous Years

a) Prior year tax adjustment

The Company recorded prior year's tax adjustments, which primarily resulted on completion of assessments made by the Income tax authorities and difference was recorded as credit/ charge in the financial statements. Accordingly the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the "Summary Statement of Profits and Losses", as Restated.

b) Tax Impact Adjustments

The 'Summary Statement of Profit and Losses, as Restated' has been adjusted for respective years in respect of short/ excess provision for Income Tax as compared to the tax payable as per the income tax assessment/ returns filed by the Company for the respective year.

c) Dividend Distribution Tax

The company recorded Dividend Distribution Tax for the year ended March 31, 2004 on payment basis in the year ended March 31, 2005. Accordingly, the same has been adjusted in the period to which the tax relates.

3) Material Reclassification

- a) Upto the year ended March 31, 2004 Net Income from some projects were shown as Operating Income which has been reclassified as Sales and Cost of Sales. Net Investment in these projects were shown as part of loans and advances which has been reclassified under respective assets and liabilities in the Balance Sheet.
- b) Upto the year ended March 31, 2004 Net Income from some projects were shown as Sales and Cost of Sales which has been reclassified as Income from Development Projects. Net Investment in these projects was shown as respective assets and liabilities in the Balance Sheet which has been reclassified as part of Loans and Advances.
- c) Upto the year ended March 31, 2006 Income from Development Projects was disclosed separately in the Profit & Loss Account. During the year ended March 31, 2007 the same was classified under Operating Income.

In the Summary Statement of Assets and Liabilities, as Restated and Summary Statement of Profits and Losses, as Restated, for the year ended March 31, 2004, 2005 and 2006 the same has been regrouped and disclosed accordingly.

4) Profit Loss Account as at April 01, 2003 (Restated)

<i>(Rupees in Million)</i>	
Particulars	Amount
Profit & Loss Account as at April 01, 2003 (Audited)	54.23
Prior period Adjustment	(3.56)
Deferred tax	0.11
Profit and Loss Account as at April 01, 2003 (Restated)	50.78

5) **Contingent liabilities :**

(Rupees in Million)

Matters	Current Year
a) Uncalled amount of Rs. 80/- & Rs. 30/- on 70 & 75 partly paid shares respectively of Tahir Properties Limited	0.01
b) Claims against the company not acknowledged as debts represents cases filed by parties in the Consumer forum and High Court and disputed by the Company as advised by our advocates. In the opinion of the management the claims are not sustainable.	7.88
c) Claims against the Company under the Labour Laws for disputed cases	1.99
d) Guarantees given by Bank, counter guaranteed by the Company	6.00
e) Letters of credit issued by banks on behalf of the Company	1.91
f) Claim against the Company under Bombay Stamp Act, 1958	14.85
g) Other claims against the Company not acknowledged as debts	3.93

6) **Inventories**

Stock - in - Trade includes shares in the following Companies - at cost or market value (whichever is lower):

(Rupees in Million)

		2007-08	2006-07	2005-06	2004-05	2003-04
TAHIR PROPERTIES LIMITED						
a)	Equity shares of Rs. 100/- each, fully paid up.	-	0.04	49.99	42.30	44.81
	<i>No. of Shares held</i>	-	400	32,597	32,597	32,597
b)	70 Equity shares of Rs. 100/- each, Rs. 20/- paid up.	*	*	*	*	*
	<i>No. of Shares held</i>	70	70	70	70	70
c)	75 Redeemable Preference Class A shares of Rs.100/- each, Rs.70/- paid.	*	*	*	*	*
	<i>No. of Shares held</i>	75	75	75	75	75
GIRIKANDRA HOLIDAY HOMES & RESORTS LIMITED (a subsidiary company)						
	Equity shares of Rs.1,000/- each, fully paid up	22.58	17.88	17.88	17.88	17.88
	<i>No. of Shares held</i>	500	500	500	500	500

* Represents amounts less than Rs. 10,000/-

7) **Cash & Bank Balances**

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Balances with scheduled banks on deposit accounts include amounts received from flat buyers and held in trust on their behalf in a corpus fund.	39.38	36.62	33.83	33.83	33.83

8) Due on Management Projects

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Due on Management Projects include a sum on account of a project, where the matter is sub-judice with arbitrators.	20.87	20.31	20.06	19.99	-

9) Inventories, Current Assets, Loans and Advances :

- a) Construction Work in Progress and Due on Management projects represents materials at site and unbilled cost on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work in progress will not be lower than the costs so included.

b) Development Manager Fees

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
The company has been entering into Development Agreements with landlords. Development Manager Fees accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Annexure - X	170.24	170.30	197.22	249.63	249.64

10) Leases

- a) The Company's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Gross Carrying Amount of Assets	NIL	NIL	NIL	1.48	1.48
Accumulated Depreciation	NIL	NIL	NIL	0.76	0.72
Depreciation for the period	NIL	NIL	NIL	0.04	0.04
Stock – in – trade (Refer note below)	NIL	NIL	50.00	42.30	44.81
Future minimum lease receipts under non-cancellable operating leases					
➤ Not later than 1 year	0.03	0.03	2.98	2.01	0.39
➤ Later than 1 year and not later than 5 years	0.11	0.11	0.11	0.11	0.11

- b) The Company's significant leasing arrangements are in respect of operating leases for Commercial premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under :-

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Future minimum lease payments under non-cancellable operating leases					
➤ Not later than 1 year	9.68	12.31	6.40	4.80	4.20
➤ Later than 1 year and not later than 5 years	2.29	11.98	5.78	2.20	6.13

11) Employee Stock Option Plan :

In December 2007, the Company, Godrej Properties Limited (GPL), has instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 442,700 options convertible into 442,700 Equity Shares of Rs. 10/- each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

The Scheme is administered by an Independent ESOP Trust which has purchased Shares from Godrej Industries Limited (the holding Company) equivalent to the number of options granted by the participating companies. During the current year, finance is provided by Godrej Properties Limited to the ESOP Trust and the trust has purchased 442,700 shares of Godrej Properties Limited.

Particulars	No. of Options	Wt. Average Exercise Price (Rs.)
Options Outstanding at the beginning of the year	-	-
Options granted	442,700	620.00 (plus interest)
Options exercised	-	-
Less : Forfeited / Expired	-	-
Options Outstanding at the year end	442,700	620.00 (plus interest)

The Option granted shall vest after three years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two years after vesting.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of underlying equity share on the grant date is same / less than the exercise price of the option, the intrinsic value of the option, therefore being determined as Nil.

12) Earnings Per Share

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Profit after tax (Rupees in Million)	759.24	292.18	121.34	57.78	28.09
Weighted average number of Equity Shares outstanding (Numbers)	58,714,813	58,000,905	58,000,905	58,000,905	58,000,905
Basic/Diluted earnings per share (Rs.)	12.93	5.04	2.09	1.00	0.48
Nominal Value of share(Rs.)	10	10	10	10	10

Previous years figures have been recomputed due to issue of bonus shares during the year.

13) Dues To Micro, Small And Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Group is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

14) Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets are: -

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Depreciation on Fixed Assets	0.75	0.82	0.94	0.56	0.45
Others	3.05	2.87	1.97	1.76	1.42
Deferred Tax Asset	3.80	3.69	2.91	2.32	1.87

- 15) Segment Information :** As the company has only one business segment, disclosure under Accounting Standard 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

16) Employee Benefits

a. Defined Contribution Plans:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(Rupees in Million)

Particulars	Current Year
Employers' Contribution to Provident Fund	4.26

b. Defined Benefit Plans:

(i) Contribution to Gratuity Fund

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2008:

(Rupees in Million)

Particulars	Current Year
Change in present value of obligation	
Present value of obligation as at 1st April 2007	3.07
Interest Cost	0.25
Service Cost	0.62

Benefits Paid	-
Actuarial (gain)/loss on obligation	0.27
Present value of obligation, as at 31st March 2008	4.21
Amount recognised in the Balance Sheet	
Present value of obligation, as at 31st March 2008	4.21
Fair value of plan assets as at 31st March 2008	-
Net obligation as at 31st March 2008	4.21
Net gratuity cost for the year ended 31st March 2008	
Current Service Cost	0.62
Interest Cost	0.25
Expected return on plan assets	-
Net Actuarial (gain)/loss to be recognised	0.27
Net gratuity cost	1.14
Assumptions used in accounting for the gratuity plan	
	%
Discount Rate	8
Salary escalation rate	5
Expected rate of return on plan assets	8

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Since, this is the first year of AS – 15 (Revised 2005) being applicable, previous year's figures have not been provided.

17) Information in respect of Joint Ventures

Jointly controlled operations - Development of the following Residential / Commercial Projects:

Coliseum, Mumbai
Woodsman Estate, Bangalore
Gold County, Bangalore
Planet Godrej, Mumbai
La Vista, Mumbai
Glenelg, Mumbai
Edenwoods, Mumbai
Shivajinagar, Pune
NLM, Kalyan
GVD, Kalyan
MPM, Kalyan
RSM/HKB, Kalyan
Mangalore Project
Sanjay Khan, Bangalore
Grenville Park, Mumbai
Walkeshwar, Mumbai
Waldorf, Oshiwara
Castlemaine, Pune
Chandigarh Project
Waterside IT Park
Godrej Genesis, Kolkata

- 18)** Previous year figures have been regrouped / rearranged where ever necessary to confirm to current year's classification.

Auditors' report as required by Part II of Schedule II of the Companies Act, 1956

**TO THE BOARD OF DIRECTORS,
GODREJ PROPERTIES LIMITED**

Dear Sirs,

1. We have examined the attached consolidated financial information of **Godrej Properties Limited** ("the Company") and its subsidiaries (collectively hereinafter referred to as "the Group"), as approved by the Board of Directors of the Company and the respective subsidiaries, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended to date ("the SEBI Guidelines") and terms of our engagement agreed upon with you in accordance with our letter dated December 27, 2007 in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") proposed issue of Equity shares of the Company.
2. These information have been extracted by the Management from financial statements of the Company and the respective subsidiaries for the year ended March 31, 2008, 2007, 2006, 2005, and 2004.
3. We did not audit the financial statements of the subsidiaries for the financial years ended March 31, 2007, 2006 and 2005 whose Financial Statements reflect total assets of Rs. 623.81 million and total revenue of Rs. 1.42 million for the financial year ended March 31, 2007, Rs. 156.28 million and total revenue of Rs. Nil for the financial year ended March 31 2006 and Rs. 28.58 million and total revenue of Rs. Nil for the financial year ended March 31, 2005. These financial statements have been audited by another firm **Kalyaniwalla Mistry & Associates, Chartered Accountants** and for the purposes of our examination, we have placed reliance on their reports for the respective years.
4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you we further report that:
 - a) The Consolidated Summary Statement of Assets and Liabilities, as restated, of the Company and its subsidiaries as at March 31, 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in the Annexure I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV)).
 - b) The Consolidated Summary Statement of Profits or Losses, as restated, of the Company and its subsidiaries for the year ended March 31, 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in the Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV).
 - c) The Consolidated Summary Statement of Cash Flows, as restated, of the Company and its subsidiaries for the year ended March 31, 2008, 2007, 2006, 2005 and 2004 examined by us, as set out in Annexure III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV).

The Summary Statement of Consolidated Assets and Liabilities, Consolidated Profits and Losses and Consolidated Cash Flows, as restated, and more specifically described in point 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Financial Information'.

- d) Based on the above, we are of the opinion that the Restated Financial Information has been made after incorporating:
- i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.
 - ii) Adjustments for the material amounts in the respective financial years to which they relate.
 - iii) Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualification requiring adjustments.
- e) We have also examined the following consolidated other financial information set out in the Annexures prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries for the year ended March 31, 2008, 2007, 2006, 2005 and 2004.
- i) Consolidated Statement of Share Capital, as restated (Annexure IV)
 - ii) Consolidated Statement of Reserves & Surplus, as restated (Annexure V)
 - iii) Consolidated Statement of Secured Loan, as restated (Annexure VI)
 - iv) Consolidated Statement of Unsecured Loan, as restated (Annexure VII)
 - v) Consolidated Statement of Stocks, as restated (Annexure VIII)
 - vi) Consolidated Statement of Debtors, as restated (Annexure IX)
 - vii) Consolidated Statement of Loan and Advances as restated (Annexure X)
 - viii) Consolidated Statement of Cash and Bank Balances, as restated (Annexure XI)
 - ix) Consolidated Statement of Investments, as restated (Annexure XII)
 - x) Consolidated Statement of Current Liabilities and Provisions, as restated (Annexure XIII)
 - xi) Consolidated Statement of Sales and Other Income, as restated (Annexure XIV)
 - xii) Consolidated Statement of Cost of Sales, as Restated (Annexure XV)
 - xiii) Consolidated Statement of Employee Remuneration & Benefits, as restated (Annexure XVI)
 - xiv) Consolidated Statement of Administration Expenses, as restated (Annexure XVII)
 - xv) Consolidated Statement of Interest & Finance Charges (net), as restated (Annexure XVIII)
 - xvi) Consolidated Statement of Dividend Paid (Annexure XIX)
 - xvii) Consolidated Statement of Accounting Ratios, as restated (Annexure XX)
 - xviii) Consolidated Statement of Related Party (Annexure XXI)
 - xix) Consolidated Statement of Capitalisation as at March 31, 2008 (Annexure XXII)
 - xx) Consolidated Statement of Significant Accounting Policies, as restated (Annexure XXIII)
 - xxi) Notes to the Consolidated Statement of Assets and Liabilities & Profit and Losses, as restated (Annexure XXIV)

In our opinion, the financial information contained in Annexure IV to XXII of this report read along with the Significant Accounting Policies and Notes and Changes in Significant Accounting Policies (Refer Annexure XXIII and XXIV) prepared after making adjustments and regroupings, as considered appropriate, have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Guidelines.

- 5) Our report is intended solely for the use of the management and for inclusion in the Offer document in connection with proposed issue of equity shares of the Company. Our report should not be used for any other purpose, except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Ermin K. Irani
Partner
Membership No. 35646
Place: Mumbai
Date:

ANNEXURE I : CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Rs. in Million					
PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
FIXED ASSETS					
Gross Block	398.53	62.74	53.86	45.13	45.34
Less : Accumulated Depreciation	28.19	20.47	14.67	14.30	13.96
Net Block	370.34	42.27	39.19	30.83	31.38
Capital Work in Progress / Advance	2.14	2.14	-	-	-
	372.48	44.41	39.19	30.83	31.38
INVESTMENTS					
	0.03	0.01	0.01	0.02	0.02
DEFERRED TAX ASSET					
	3.78	3.67	2.91	2.32	1.86
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	2,847.92	1,172.05	231.61	192.83	240.65
Sundry Debtors	4,057.12	2,197.88	828.11	409.60	387.68
Cash and Bank Balances	86.30	161.10	185.05	41.78	142.89
Loans & Advances	2,853.57	903.72	716.48	728.20	888.91
	9,844.91	4,434.75	1,961.25	1,372.41	1,660.13
LIABILITIES & PROVISIONS					
Secured Loan	1,201.36	247.40	71.90	187.26	377.07
Unsecured Loan	1,529.84	1,137.07	60.86	254.47	388.61
Current Liabilities	4,663.51	2,521.11	1,307.03	543.91	509.01
Provisions	400.84	127.16	92.76	4.66	32.45
	7,795.55	4,032.74	1,532.55	990.30	1,307.14
MISCELLANEOUS EXPENDITURE					
Deferred Revenue Expenditure	-	-	-	-	0.07
Preliminary Expenditure	0.05	0.06	0.01	0.01	0.02
	0.05	0.06	0.01	0.01	0.09
NET WORTH					
	2,425.70	450.16	470.82	415.29	386.34
REPRESENTED BY					
SHARE CAPITAL					
	604.20	64.45	64.45	64.45	64.45
RESERVES & SURPLUS					
	1,814.40	381.83	401.47	350.84	321.89

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
MINORITY INTEREST	7.10	3.88	4.90	-	-
NET WORTH	2,425.70	450.16	470.82	415.29	386.34

ANNEXURE II : CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

Rs. in Million					
PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
INCOME					
Sales	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income	309.53	199.78	129.88	77.09	15.46
Other Income	0.72	0.37	6.99	2.16	0.66
Total Income	2,275.09	1,372.62	704.58	418.48	406.84
EXPENDITURE					
Cost of Sales	867.86	758.40	425.25	261.36	316.69
Staff Cost	97.96	69.48	22.93	18.53	10.97
Administration Expenses	109.37	40.88	19.77	11.70	15.79
Interest & Finance Charges (Net)	38.16	40.49	52.98	35.60	14.65
Depreciation	9.20	7.01	5.07	3.32	2.72
Total Expenditure	1,122.55	916.26	526.00	330.51	360.82
PROFIT BEFORE TAX AND MINORITY INTEREST	1,152.54	456.36	178.58	87.97	46.02
PROVISION					
For Current Tax	(392.80)	(169.14)	(57.35)	(30.65)	(18.02)
For Fringe Benefit Tax	(1.25)	(0.77)	(0.49)	-	-
For Deferred Tax	0.11	0.76	0.59	0.46	0.09
NET PROFIT BEFORE MINORITY INTEREST	758.60	287.21	121.33	57.78	28.09
Minority Interest	1.68	1.02	-	-	-
NET PROFIT AFTER TAX AND MINORITY INTEREST	760.28	288.23	121.33	57.78	28.09
Surplus Brought Forward	52.73	113.82	76.58	53.47	50.77
AMOUNT AVAILABLE FOR APPROPRIATION	813.01	402.05	197.91	111.25	78.86
Less:					
Interim Dividend	-	270.00	62.00	25.50	-
Proposed Dividend	246.12	-	-	-	20.00
Dividend Distribution Tax	41.83	37.87	8.70	3.33	2.56
Transfer to General Reserve	76.00	41.45	13.39	5.84	2.83
	363.95	349.32	84.09	34.67	25.39

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
SURPLUS CARRIED FORWARD TO BALANCE SHEET	449.06	52.73	113.82	76.58	53.47

ANNEXURE III : CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax and Minority Interest	1,152.54	456.36	178.58	87.97	46.02
Adjustments for:					
Depreciation	9.20	7.01	5.07	3.32	2.72
Profit/ (loss) on disposal of fixed assets	0.28	(0.04)	(5.38)	0.18	0.07
Preliminary expenses written off	0.01	0.01	_*	_*	_*
Interest Charges	274.64	124.95	77.73	79.25	59.28
Interest Income	(236.48)	(84.46)	(24.75)	(43.65)	(44.63)
Dividend Income	(0.03)	_*	_*	_*	_*
Deferred Revenue Expenditure	-	-	-	0.07	0.23
Provision for Diminution in value of Investment / (Written Back)	(0.01)	-	0.01	_*	_*
Operating Profit before working capital changes	1,200.15	503.83	231.26	127.14	63.69
Adjustments for:					
Changes in Trade and Other receivables	(1,859.24)	(1,369.78)	(418.51)	(21.91)	(365.62)
Changes in Loans & Advances	(1,937.48)	(182.55)	8.30	164.40	(60.89)
Changes in Inventories	(1,675.88)	(940.43)	(38.78)	47.82	(4.91)
Changes in Current Liabilities & Provisions	2,130.51	1,210.14	763.61	36.32	421.30
CASH GENERATED FROM OPERATIONS	(2,141.94)	(778.79)	545.88	353.77	53.57
Direct Taxes paid	(411.42)	(65.33)	(37.44)	(40.31)	(14.47)
NET CASH FLOW FROM OPERATING ACTIVITIES	(2,553.36)	(844.12)	508.44	313.46	39.10
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from disposal of Fixed Assets	0.20	0.28	7.75	0.42	4.87
Purchase of Fixed Assets	(337.75)	(12.47)	(15.80)	(3.36)	(9.37)
Interest Received	224.11	79.77	24.46	43.67	44.62
Dividend Received	0.03	_*	_*	_*	_*
NET CASH FLOW FROM INVESTING ACTIVITIES	(113.41)	67.58	16.41	40.73	40.12

ANNEXURE III : CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

PARTICULARS	Rs. in Million				
	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of equity shares	1500.00	-	-	-	-
Proceeds from issue of equity shares to minority	4.90	-	4.90	-	-
Proceeds from issue of debentures	142.10	17.15	56.35	-	-
Proceeds from / (Repayment of) Secured Term Loan	-	(0.25)	(9.07)	(95.00)	62.50
Change in Secured Working Capital Loan	811.86	158.60	(162.64)	(94.81)	18.66
Proceeds from / (Repayment of) Unsecured Term Loan	290.00	1,015.00	(170.00)	(25.00)	27.50
Change in Unsecured Working Capital Loan	110.57	50.17	-	-	-
Proceeds from / (Repayment of) Fixed Deposits	2.20	1.04	(21.12)	(6.64)	(29.31)
Proceeds from / (Repayment of) Inter Company Deposit	(10.00)	10.00	(2.50)	(102.50)	29.98
Preliminary Expenses Incurred	-	(0.06)	-	-	-
Interest paid	(259.66)	(120.50)	(77.50)	(79.96)	(61.56)
Dividend paid (including Tax)	-	(378.56)	-	(51.39)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	2,591.97	752.59	(381.58)	(455.30)	47.77
Net Increase/ (Decrease) in Cash and Cash Equivalents	(74.80)	(23.95)	143.27	(101.11)	126.99
Opening Cash and Cash Equivalents	161.10	185.05	41.78	142.89	15.90
Closing Cash and Cash Equivalents	86.30	161.10	185.05	41.78	142.89
* Represents amount less than Rs. 10,000/-					
The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard-3 on Cash Flow Statements as issued by the ICAI.					

ANNEXURE IV : CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
AUTHORISED					
100,000,000 Equity Shares of Rs 10/- each	1,000.00	100.00	100.00	100.00	100.00
(Previous Year 10,000,000 Equity Shares of Rs. 10/- each)					
ISSUED, SUBSCRIBED AND PAID UP	604.20	64.45	64.45	64.45	64.45
60,420,259 Equity Shares of Rs 10/- each					
(Previous Year 6,444,545 Equity Shares of Rs. 10/- each)					
Notes:					
1	Of the above 54,203,845 (Previous Year 2,647,485) shares issued as Bonus Shares by capitalising Share Premium, General Reserve & Profit & Loss Account				
2	Of the above 49,358,459 (Previous Year 5,264,645) shares are held by Godrej Industries Ltd, the Holding Company.				

ANNEXURE - V: CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Share Premium	1,475.81	245.17	245.17	245.17	245.17
General Reserve	76.00	83.93	42.48	29.09	23.25
Surplus as per Profit and Loss Account	449.06	52.73	113.82	76.58	53.47
Less: Utilised for issue of Bonus Shares					
during the year	186.47	-	-	-	-
	262.59	52.73	113.82	76.58	53.47
TOTAL	1,814.40	381.83	401.47	350.84	321.89

Note :

During the current year the Company has utilised General Reserve of Rs. 83.93 Million, Share Premium of Rs. 245.17 Million and Surplus as per Profit and Loss Account of Rs.186.47 Million for issue of Bonus shares & received Share Premium of Rs. 1,475.81 Million on issue of Right shares.

ANNEXURE VI: CONSOLIDATED STATEMENT OF SECURED LOANS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
TERM LOANS					
Bank of Baroda	-	-	-	-	5.00
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)					
State Bank of Bikaner & Jaipur	-	-	-	4.32	49.32
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Glenelg - Cuffe Parade)					
UTI Bank Limited	-	-	0.25	5.00	50.00
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Godrej Castlemaine - Pune)					
	-	-	0.25	9.32	104.32
DEBENTURES					
10% Secured Redeemable	215.60	73.50	56.35	-	-
Optionally Convertible Debentures of Rs. 10/- each					
	215.60	73.50	56.60	9.32	104.32
WORKING CAPITAL LOANS					
State Bank of India	985.76	173.90	15.30	5.17	16.17
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
State Bank of India FCNR 'B'	-	-	-	-	181.02
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
Bank of Baroda FCNR 'B'	-	-	-	12.77	75.56
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company as Project Manager at Shivaji Nagar - Pune)					
State Bank of India - Commercial Paper	-	-	-	160.00	-
(Secured by way of equitable mortgage of immovable property of the project undertaken by the Company's project at Juhu - Mumbai)					
	985.76	173.90	15.30	177.94	272.75
TOTAL	1,201.36	247.40	71.90	187.26	377.07
Of the Above,					

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Repayable within a year	-	-	0.25	173.58	253.58
(Excluding Cash Credit)					

ANNEXURE - VII: CONSOLIDATED STATEMENT OF UNSECURED LOANS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
SHORT TERM LOANS					
State Bank of Hyderabad	-	-	-	-	10.00
UTI Bank Limited	-	-	-	-	20.00
IDBI Bank Limited	-	-	-	10.00	20.00
State Bank of Patiala	-	-	-	45.00	50.00
State Bank of Saurashtra	-	-	-	25.00	50.00
Indusind Bank Limited	-	-	-	-	90.00
The Bank of Rajasthan Limited	-	-	-	35.00	-
State Bank of Travancore	-	-	-	50.00	-
UCO Bank	-	-	45.00	50.00	-
IDBI Bank Limited	-	60.00	-	-	-
The Catholic Syrian Bank Ltd	100.00	-	-	-	-
Punjab & Sind Bank	250.00	250.00	-	-	-
Central Bank of India	1,000.00	500.00	-	-	-
J & K Bank Limited	-	250.00	-	-	-
	1,350.00	1,060.00	45.00	215.00	240.00
WORKING CAPITAL LOANS					
IDBI Bank Limited	160.74	50.17	-	-	-
	160.74	50.17	-	-	-
FIXED DEPOSITS					
Directors	18.84	15.34	11.20	9.50	10.00
Others	0.26	1.56	4.66	27.47	33.61
	19.10	16.90	15.86	36.97	43.61
INTERCORPORATE DEPOSITS	-	10.00	-	2.50	105.00
	-	10.00	-	2.50	105.00

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
TOTAL	1,529.84	1,137.07	60.86	254.47	388.61
Of the Above,					
Repayable within a year	1,369.10	1,087.63	60.86	250.07	371.58
(Excluding Cash Credit)					

ANNEXURE - VIII: CONSOLIDATED STATEMENT OF STOCKS, AS RESTATED

Rs. in Million					
PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Stock in Trade	1.69	1.45	51.40	43.71	46.21
Construction Work in Progress	2,846.23	1,170.60	180.21	149.12	194.44
TOTAL	2,847.92	1,172.05	231.61	192.83	240.65

ANNEXURE - IX: CONSOLIDATED STATEMENT OF DEBTORS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
SUNDRY DEBTORS					
(Unsecured, considered good)					
Debits over six months	11.91	14.21	15.95	24.24	32.00
	11.91	14.21	15.95	24.24	32.00
Other debts	4,045.21	2,183.67	812.16	385.36	355.68
	4,045.21	2,183.67	812.16	385.36	355.68
TOTAL	4,057.12	2,197.88	828.11	409.60	387.68

ANNEXURE - X: CONSOLIDATED STATEMENT OF LOANS AND ADVANCES, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
LOANS AND ADVANCES					
(Unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received					
- Due from companies under the same management	1.37	1.37	0.43	0.45	4.46
- Due from Directors	-	-	-*	0.02	0.04
- Due from Others	250.22	237.53	91.11	5.04	5.29
Secured (secured against Bank Guarantee)	239.63	35.28	-	-	-
Loans to GIL ESOP Trust	77.43	62.80	18.55	-	-
Loans to GPL ESOP Trust	275.16	-	-	-	-
Development Management Fees accrued but not due	170.24	170.30	197.22	249.63	249.64
Due on Management Projects	1,183.47	359.71	333.13	356.90	531.69
Deposits	638.68	31.74	75.74	112.44	97.77
Interest Accrued	17.37	4.99	0.30	-	0.02
Taxes paid (Net of provisions)	-	-	-	3.72	-
TOTAL	2,853.57	903.72	716.48	728.20	888.91
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XI: CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Cash & Cheques in hand	0.23	13.50	0.59	0.01	100.04
Bank balances with scheduled banks in:-					
Current Accounts	25.32	90.04	15.07	3.64	0.52
Fixed Deposits	60.75	57.56	169.39	38.13	42.33
TOTAL	86.30	161.10	185.05	41.78	142.89

ANNEXURE XII : CONSOLIDATED STATEMENT OF INVESTMENTS, AS RESTATED

PARTICULARS	Rs. in Million				
	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
Long Term (At Cost)					
Quoted Investments	0.02	_*	_*	0.01	0.01
In Shares (Net of Provision for Diminution in Value)					
Unquoted Investments	0.01	0.01	0.01	0.01	0.01
In Shares					
TOTAL	0.03	0.01	0.01	0.02	0.02
1. Cost of Quoted Investments	0.02	0.02	0.02	0.02	0.02
2. Market Value of Quoted Investments	3.91	2.68	0.15	0.06	0.01
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XIII: CONSOLIDATED STATEMENT OF CURRENT LIABILITIES AND PROVISIONS, AS RESTATED

PARTICULARS	AS AT MARCH 31,				
	2008	2007	2006	2005	2004
CURRENT LIABILITIES					
Acceptances	-	-	-	5.68	3.20
Sundry Creditors	210.63	59.58	28.71	48.12	60.40
Investor Education and Protection Fund	-	-	-	-	-
Advances received against Sale	3,509.58	1,975.43	764.70	292.87	250.63
Deposits	0.41	0.41	24.65	23.94	26.31
Unclaimed Fixed Deposit	1.20	1.69	4.04	3.60	4.67
Other liabilities	732.43	359.99	225.92	148.38	163.08
Due to Management Projects	189.58	119.32	258.76	21.30	-
Interest accrued but not due on loans	19.68	4.69	0.25	0.02	0.72
	4,663.51	2,521.11	1,307.03	543.91	509.01
PROVISIONS					
Gratuity	4.21	3.08	2.76	2.22	1.88
Leave Encashment	4.77	2.81	2.63	2.44	2.06
Interim Dividend	-	-	62.00	-	-
Proposed Dividend	246.12	-	-	-	20.00
Tax on Dividend	41.83	-	8.69	-	2.56
Taxation (Net of advance tax & tax deducted at source)	103.91	121.27	16.68	-	5.95
	400.84	127.16	92.76	4.66	32.45
TOTAL	5,064.35	2,648.27	1,399.79	548.57	541.46

ANNEXURE - XIV: CONSOLIDATED STATEMENT OF SALES AND OTHER INCOME, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Sales	1,964.84	1,172.47	567.71	339.23	390.72
	1,964.84	1,172.47	567.71	339.23	390.72
Operating Income					
Income from Development Projects	289.04	71.07	76.74	51.50	12.17
Compensation Received	10.00	120.00	-	-	-
Project Management Fees	0.03	0.01	_*	0.01	0.02
Other Income from Customers	10.44	3.51	-	-	2.62
Lease Rent	0.01	5.18	53.13	25.57	0.64
License Fees	0.01	0.01	0.01	0.01	0.01
	309.53	199.78	129.88	77.09	15.46
Other Income					
Dividend	0.03	_*	_*	_*	_*
Profit on disposal of Fixed Assets (Net)	-	0.04	5.38	-	-
Miscellaneous Income	0.69	0.33	1.61	2.16	0.66
	0.72	0.37	6.99	2.16	0.66
TOTAL	2,275.09	1,372.62	704.58	418.48	406.84
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XV : CONSOLIDATED STATEMENT OF COST OF SALES, AS RESTATED

PARTICULARS	Rs. in Million				
	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Own Projects Cost					
Opening Stock	1,172.05	231.61	192.83	240.65	235.29
Add : Expenditure/ Transfers from Advances					
during the year	2,510.79	1,610.47	401.99	128.18	267.82
Less : Closing Stock	(2,847.92)	(1,172.05)	(231.61)	(192.83)	(240.65)
	834.92	670.03	363.21	176.00	262.46
Development Project Cost	32.94	88.37	62.04	85.36	54.23
TOTAL	867.86	758.40	425.25	261.36	316.69

ANNEXURE - XVI : CONSOLIDATED STATEMENT OF EMPLOYEE REMUNERATION & BENEFITS , AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Salaries, Wages and Bonus	92.86	65.89	19.86	15.95	9.23
Contribution to Provident and Other Funds	4.30	2.95	2.03	1.43	1.07
Other Employee Benefits	0.80	0.64	1.04	1.15	0.67
TOTAL	97.96	69.48	22.93	18.53	10.97

ANNEXURE - XVII: CONSOLIDATED STATEMENT OF ADMINISTRATION EXPENSES, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Cost of Project Management	1.23	0.53	0.17	0.26	0.69
Consultancy Charges	67.21	16.68	4.37	1.30	0.80
Service Charges	0.13	0.11	0.24	0.25	0.70
Compensation Claims	0.75	-	-	0.79	3.42
Loss on Sale of Fixed Assets (Net)	0.28	-	-	0.18	0.07
Power & Fuel	1.16	1.05	0.15	0.13	0.23
Rent	11.44	9.42	2.09	2.37	0.63
Insurance	0.88	0.84	0.27	0.08	0.05
Rates & Taxes	0.05	0.02	0.47	0.44	-*
Repairs & Maintenance	0.13	0.48	0.48	1.18	0.44
Deferred Revenue Expenditure Written Off	-	-	-*	0.07	0.23
Provision for Diminution in Value of Investments / (written back)	(0.01)	-	0.01	-*	-*
Preliminary Expenses written off	0.01	0.01	-*	-*	-*
Other Operating Expenses	26.11	11.74	11.52	4.65	8.53
TOTAL	109.37	40.88	19.77	11.70	15.79
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XVIII : CONSOLIDATED STATEMENT OF INTEREST & FINANCE CHARGES (NET), AS RESTATED

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
INTEREST AND FINANCE CHARGES (NET)					
Interest Paid					
- Banks	211.83	48.57	14.63	38.90	40.70
- Inter Corporate Deposits	3.19	15.81	3.53	8.25	13.32
- Financial Institutions	-	-	-	-	-
- Projects and landlords	44.47	53.17	48.61	9.75	-
- Others	8.05	0.90	9.02	20.37	4.01
Total Interest Paid	<u>267.54</u>	<u>118.45</u>	<u>75.79</u>	<u>77.27</u>	<u>58.03</u>
Add : Brokerage & other Financial charges	7.10	6.50	1.94	1.98	1.25
Total Interest & Finance Charges Paid	<u>274.64</u>	<u>124.95</u>	<u>77.73</u>	<u>79.25</u>	<u>59.28</u>
Less: Interest Received (Gross)					
- Customers	-	-*	-	-*	0.17
- Projects and landlords	194.63	73.64	22.52	43.33	43.86
- Others	41.85	10.82	2.23	0.32	0.60
Less: Interest Received (Gross)	<u>236.48</u>	<u>84.46</u>	<u>24.75</u>	<u>43.65</u>	<u>44.63</u>
NET INTEREST	38.16	40.49	52.98	35.60	14.65
* Represents amount less than Rs. 10,000/-					

ANNEXURE - XIX: STATEMENT OF DIVIDEND PAID

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Rs. in Million					
Number of equity shares (No. in Million)	60.42	6.44	6.44	6.44	6.44
Face Value of Equity Shares - Rs.	10.00	10.00	10.00	10.00	10.00
Rate of dividend (%)					
Interim	-	419%	96%	40%	-
Proposed - Final	100%	-	-	-	31%
Amount of dividend on equity shares					
Interim	-	270.00	62.00	25.50	-
Proposed - Final	246.12	-	-	-	20.00
Total Tax on Dividend	41.83	37.87	8.70	3.33	2.56

ANNEXURE XX: CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

PARTICULARS	FOR THE YEAR ENDED ON MARCH, 31				
	2008	2007	2006	2005	2004
1) Adjusted profit to income from operations (%)	50.68	33.26	25.60	21.13	11.33
2)(a) Earnings per share Rs.	10.63	7.10	2.30	1.01	0.42
(b) Restated earnings per share Rs.	12.95	4.97	2.09	1.00	0.48
3)(a) Cash earnings per share Rs.	10.78	7.22	2.38	1.07	0.47
(b) Restated cash earnings per share Rs.	13.11	5.09	2.18	1.05	0.53
4)(a) Net asset value per share Rs.	41.19	90.39	74.24	64.54	60.33
(b) Restated net asset value per share Rs.	41.19	7.69	8.03	7.16	6.66
5) Return on net worth (%)	31.43	64.58	26.04	13.91	7.27
6)(a) No. of shares *	60,420,259	6,444,545	6,444,545	6,444,545	6,444,545
(b) Weighted Average no. of shares *	58,714,813	58,000,905	58,000,905	58,000,905	58,000,905
* Equity shares of Rs. 10 each					

Notes :

1) The ratios have been computed as follows :

Adjusted Profit to Income from Operations (%) =	$\frac{\text{Adjusted Profit before Tax}}{\text{Income from Operations}}$
Earning per Share - Basic and Diluted =	$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Weighted average number of equity shares outstanding during the year}}$
Cash Earning per Share =	$\frac{\text{Adjusted Profit after Tax but before Depreciation}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$
Net Asset Value per Share =	$\frac{\text{Net Worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares Outstanding during the year}}$
Return on Net Worth =	$\frac{\text{Adjusted Profit / (Loss) after Tax but before Extraordinary Items}}{\text{Net Worth excluding Revaluation Reserve}}$

2) Earnings per share has been calculated in accordance with Accounting Standard 20 - Earnings per share issued by The Institute of Chartered Accountants of India

3) Restated profit / (loss) has been considered for the purpose of computing the above ratios

ANNEXURE XXI: RELATED PARTY DISCLOSURES

Related party disclosures as required by AS - 18, " Related Party Disclosures", are given below:

1 Relationships

(i) Shareholders (Holding Company)

Godrej Industries Limited (GIL) holds 81.69% shares in the company. GIL is the subsidiary of Godrej & Boyce Mfg Co Limited, the Ultimate Holding Company.

(ii) Other Related Parties in Godrej Group, where common control exists:

Vora Soaps Limited
Bahar Agrochem & Feeds Private Limited
Ensemble Holdings & Finance Limited
Godrej Appliances Limited
Godrej Agrovat Limited
Godrej Consumer Products Limited
Godrej Hicare Limited
Godrej Hershey Limited
Lawkim Limited
Godrej Infotech Limited

(iii) Joint Ventures and Associates

HDFC Venture Trustee Company Limited

(iv) Key Management Personnel

Mr. Milind Surendra Korde

(v) Individuals exercising significant influence :

Mr. A. B. Godrej
Mr. N. B. Godrej

ANNEXURE XXI: RELATED PARTY DISCLOSURES (CONTD.)

		Rs. in Million				
PARTICULARS		FOR THE YEAR ENDED MARCH 31,				
		2008	2007	2006	2005	2004
2	Transactions undertaken/ balances outstanding with related parties:					
(i) Holding Company						
Transactions during the year						
	Issue of Equity Share Capital	1,500.00	-	-	-	-
	Purchase of Fixed Assets	1.24	2.89	3.42	0.87	4.73
	Sale of Fixed Assets	-	-	-	-	4.00
	Advances given	0.65	-	-	-	-
	Advances received against sale of flats	16.87	-	-	-	-
	Deposits given	0.68	1.00	0.35	-	-
	Deposits repaid	(0.68)	-	(0.33)	-	-
	Inter Corporate Deposits taken	-	-	-	130.00	218.50
	Inter Corporate Deposits repaid	-	-	-	(130.00)	(218.50)
	Interest Expense on Inter-Corporate Deposits taken	-	-	-	2.30	1.44
	Construction and other expenses incurred on behalf of others	0.42	1.97	1.72	0.07	0.27
	Expenses charged by other companies	110.60	86.40	29.10	34.08	25.94
	Dividend Paid	-	220.57	50.65	20.08	15.75
	Outstanding receivables, net of payables	(16.97)	(5.60)	0.79	(3.50)	(0.58)
	Deposit Receivable	1.35	1.35	0.35	0.33	0.33
(ii) Entities under the same management						
Transactions during the year						
	Purchase of Fixed Assets	-	0.08	0.64	0.09	_*
	Inter-Corporate Deposit given	150.00	-	-	-	-
	Inter-Corporate Deposit repaid	(150.00)	-	-	-	-
	Expenses charged by other companies	0.46	0.76	0.12	0.15	0.01
	Inter Corporate Deposits taken	-	-	-	-	13.00
	Inter Corporate Deposits repaid	-	-	-	-	(13.00)
	Interest received on Inter-Corporate Deposits given	5.05	-	-	-	-
	Interest expense on Inter-Corporate Deposits taken	-	-	-	-	0.04
	Dividend Paid	-	9.16	2.10	1.62	1.27
	Outstanding receivables, net of payables	-	(0.05)	(0.03)	-	-
(iii) Joint Ventures and Associates						
Transactions during the year						

PARTICULARS	FOR THE YEAR ENDED MARCH 31,				
	2008	2007	2006	2005	2004
Issue of Equity Share Capital	4.90	-	4.90	-	-
Issue of Debentures	142.10	17.15	56.35	-	-
Interest on Debentures	17.72	5.73	0.25	-	-
Outstanding receivables, net of payables	(19.68)	(4.69)	(56.60)	-	-
Debentures Outstanding	215.60	73.50	56.35	-	-
(iv) Key management personnel					
Transactions during the year					
Remuneration	18.98	13.66	6.21	4.27	3.25
Re-imbursement of Travel expenses	0.19	0.19	0.32	0.02	-
Interest income on Loans given	-	-	-*	-*	0.01
Dividend paid	-	8.05	1.85	0.60	0.60
Outstanding Loans receivable	-	-	-	-	0.04
* Represents amount less than Rs. 10,000/-					

ANNEXURE XXII : CONSOLIDATED CAPITALISATION STATEMENT

PARTICULARS	Rs. in Million	
	AS AT MARCH 31, POST ISSUE	
	2008	
Borrowings		
Short term debt	2,515.60	[●]
Long term debt	215.60	[●]
Total debt	2,731.20	[●]
Shareholders' funds		
Share capital	604.20	[●]
Reserves	1,814.40	[●]
Total shareholders' funds	2,418.60	[●]
Long term debt/equity ratio	0.09	[●]
Total debt equity ratio	1.13	[●]

Notes:

1. Short term debts represent debts which are due within twelve months from March 31, 2008.

2. Long term debts represent debts other than short term debts, as defined above.

3. The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2008.

4. Long Term Debts/ Equity = $\frac{\text{Long Term Debts}}{\text{Shareholders' Funds}}$

Shareholders' Funds

5. The Corresponding Post issue figures are not determinable at this stage pending the completion of Book Building Process and hence have not been furnished

ANNEXURE XXIII: CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED

1) Accounting Policies

a) Principle of Consolidation

The Consolidated Restated Financial Statements of the Group have been prepared in accordance with Accounting Standard (AS 21) “Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India (‘ICAI’)

The Consolidated Financial Statements include the financial statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled as on March 31, 2008, 2007, 2006, 2005 and 2004.

The Consolidated Financial Statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full.

In the Consolidated Financial Statements, ‘Goodwill’ represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investments is in excess of cost of investments it is recognized as ‘Capital Reserve’ in the Consolidated Financial Statements. ‘Minority Interest’ represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

b) General

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and interest in case of construction.

Carrying amount of cash generating units / assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

d) Depreciation / Amortization

Depreciation has been provided on Written Down Value basis, at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets acquired on lease are depreciated over the period of the lease.

Leasehold improvements are amortized over a period of five years.

Intangible Assets are amortized over a period of six years.

e) Investments

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

f) Inventories

Inventories are valued as under :

- Completed Flats - At lower of Cost or Market value
- Construction Work- in-Progress - At cost

Construction Work in Progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Company.

g) Revenue Recognition

The Company is following the “Percentage of Completion Method” of accounting. As per this method, revenue in Profit & Loss Account at the end of the accounting year is recognized in proportion to the actual cost incurred as against the total estimated cost of projects under execution with the Company.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

Income from operation of commercial complexes is recognized over the tenure of the lease / service agreement.

Interest income is accounted on an accrual basis at contracted rates.

Dividend income is recognized when the right to receive the same is established.

h) Development Manager Fees

The company has been entering into Development & Project Management agreements with landlords. Accounting for income from such projects is done on an accrual basis on percentage of completion or as per the terms of the agreement.

i) Employee Benefits

a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised at actual amounts due in the period in which the employee renders the related service.

b) Post-employment benefits:

(i) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund are charged as an expense as they fall due.

(ii) Defined Benefit Plans:

The cost of providing benefits i.e. gratuity is determined using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit & Loss Account.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

Past service cost is recognised as expense on a straight-line basis over the average period until the benefits become vested.

(iii) Other long-term employee benefits:

Other long-term employee benefits viz., leave encashment is recognised as an expense in the profit and loss account as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect such benefits are charged to the profit and loss account.

j) Borrowing Cost

Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to Construction Work in Progress / Due on Management Project, as a part of the cost of the projects at weighted average of the borrowing cost / rates as per Agreements respectively.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

k) Earnings Per Share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

l) Provision For Taxation

Tax expense comprises both current, deferred & fringe benefit tax.

Current and fringe benefit tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

m) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are translated at the year end exchange rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at year end exchange rates. The premium payable on foreign exchange contracts is amortised over the period of the contract. Exchange gains / losses are recognised in the Profit and Loss Account.

n) Allocation of Expenses

Corporate Employee Remuneration and Administration expenses are allocated to various projects on a reasonable basis as estimated by the management.

o) Miscellaneous Expenditure

Miscellaneous expenditure is amortized over a period of 10 years

p) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

ANNEXURE XXIV: NOTES TO THE CONSOLIDATED SUMMARY STATEMENTS OF ASSETS AND LIABILITIES AND PROFITS AND LOSSES, AS RESTATED

2) Adjustments Relating to Previous Years

(a) Prior year tax adjustment

The Company recorded prior year's tax adjustments, which primarily resulted on completion of assessments made by the Income tax authorities and difference was recorded as credit/ charge in the financial statements. Accordingly the effect of these items has been adjusted in the period to which the tax related to with a corresponding charge/ credit to the recorded period in the "Consolidated Summary Statement of Profits and Losses", as Restated.

(b) Tax Impact Adjustments

The "Consolidated Summary Statement of Profit and Losses, as Restated" has been adjusted for respective years in respect of short/ excess provision for Income Tax as compared to the tax payable as per the income tax assessment/ returns filed by the Company for the respective year.

(c) Minority Interest

The effect of changes in Prior Year Tax Adjustments has been given to Minority Interest to the extent of their share of profit. As a result the net carrying amount of Minority Interest has been restated to that extent.

3) Information on subsidiaries:

The subsidiary companies considered in the consolidated financial statements are (collectively referred as "the Group"):

Sr. No.	Name of the Company	Country of Incorporation	Percentage of Holding				
			2007-08	2006-07	2005-06	2004-05	2003-04
1.	Girikandra Holiday Homes & Resorts Limited	India	100%	100%	100%	100%	100%
2.	Godrej Realty Private Limited	India	51%	51%	51%	Nil	Nil
3.	Godrej Waterside Properties Private Limited	India	51%	100%	100%	Nil	Nil
4.	Godrej Real Estate Private Limited	India	100%	100%	Nil	Nil	Nil
5.	Godrej Developers Private Limited	India	100%	100%	Nil	Nil	Nil
6.	Godrej Sea View Properties Private Limited	India	100%	100%	Nil	Nil	Nil
7.	Happy Highrises Limited	India	100%	Nil	Nil	Nil	Nil

4) Contingent Liabilities:

(Rupees in Million)

Matters	Current Year (Rs.)
a) Uncalled amount of Rs. 80/- & Rs. 30/- on 70 & 75 partly paid shares	

respectively of Tahir Properties Limited	0.01
b) Claims against the Group not acknowledged as debts represents cases filed by parties in the Consumer forum and High Court and disputed by the Group as advised by our advocates. In the opinion of the management the claims are not sustainable.	7.88
c) Claims against the Company under the Labour Laws for disputed cases	1.99
d) Guarantees given by Bank, counter guaranteed by the Company	6.00
e) Letters of credit issued by banks on behalf of the Company	1.91
f) Claim against the Company under Bombay Stamp Act,1958	14.85
g) Other claims against the Company not acknowledged as debts	3.93

5) Secured Loans

(Rupees in Million)

Sr. No.	Particulars	Issuer	Deemed Date of Allotment	Units	Amount
1.	10% secured redeemable optionally convertible debentures	Godrej Realty Private limited	16 th March 2006	5,635,000	56.35
			12 th March 2007	1,715,000	17.15
	Total			7,350,000	73.50
2.	10% secured redeemable optionally convertible debentures	Godrej Waterside Properties Private limited	4 th July 2007	14,210,000	142.10

The subsidiary companies (“ the Issuer company”) had issued debentures to HDFC Venture Trustee Company Limited, which are redeemable at the end of the 7 years from the deemed date of allotment and are secured to the extent of land valued at Rs. 0.58 million of the Group disclosed under the head “Fixed Assets”.

Further the subsidiary companies shall create a Debenture Redemption Reserve as required under section 117 (C) of the Companies Act, 1956 from the year in which profits are available for creation in their books of accounts.

6) Inventories

Stock - in - Trade includes shares in the following Companies - at cost or market value (whichever is lower) :

(Rupees in Million)

Particulars		2007-08	2006-07	2005-06	2004-05	2003-04
TAHIR PROPERTIES LIMITED						
a)	Equity shares of Rs. 100/- each, fully paid up.	-	0.04	49.99	42.30	44.81
	<i>No. of Shares held</i>	-	400	32,597	32,597	32,597
b)	70 Equity shares of Rs. 100/- each, Rs. 20/- paid up.	*	*	*	*	*
	<i>No. of Shares held</i>	70	70	70	70	70
c)	75 Redeemable Preference Class A shares of Rs.100/- each, Rs.70/- paid.	*	*	*	*	*
	<i>No. of Shares held</i>	75	75	75	75	75
* Represents amounts less than Rs. 10,000/-						

7) **Cash & Bank Balances**

(Rupees In Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Balances with scheduled banks on deposit accounts include amounts received from flat buyers and held in trust on their behalf in a corpus fund.	39.38	36.62	33.83	33.83	33.83

8) **Due on Management Projects**

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Due on Management Projects include a sum on account of a project, where the matter is sub-judice with arbitrators.	20.87	20.31	20.06	19.99	-

9) **Inventories, Current Assets, Loans And Advances:**

- a) Construction Work in Progress and Due on Management projects represents materials at site and unbilled cost on the projects. Based on projections and estimates by the Group of the expected revenues and costs to completion. In the opinion of the management, the net realizable value of the construction work in progress will not be lower than the costs so included.

- b) Development Manager Fees

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
The company has been entering into Development Agreements with landlords. Development Manager Fees accrued as per terms of the Agreement are receivable by the Company based upon progress milestones specified in the respective Agreements and have been disclosed as Development Manager Fees accrued but not due in Annexure-X	170.24	170.30	197.22	249.63	249.64

10) **Leases**

- a) The Group's significant leasing arrangements are in respect of operating leases for Residential premises. Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(Rupees in Million)

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Gross Carrying Amount of Assets	NIL	NIL	NIL	1.48	1.48
Accumulated Depreciation	NIL	NIL	NIL	0.76	0.72
Depreciation for the period	NIL	NIL	NIL	0.04	0.04

Stock – in – trade (Refer note below)	NIL	NIL	50.00	42.30	44.81
Future minimum lease receipts under non-cancellable operating leases					
➤ Not later than 1 year	0.03	0.03	2.98	2.01	0.39
➤ Later than 1 year and not later than 5 years	0.11	0.11	0.11	0.11	0.11

b) The Group's significant leasing arrangements are in respect of operating leases for Commercial premises. Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

<i>(Rupees in Million)</i>					
Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Future minimum lease payments under non-cancellable operating leases					
➤ Not later than 1 year	10.63	12.31	6.40	4.80	4.20
➤ Later than 1 year and not later than 5 years	2.29	11.98	5.78	2.20	6.13

11) Employee Stock Option Plan :

In December 2007, the Company, Godrej Properties Limited (GPL), has instituted an Employee Stock Option Plan (GPL ESOP) approved by the Board of Directors, Shareholders and the Remuneration Committee which provides for the allotment of 442,700 options convertible into 442,700 Equity Shares of Rs. 10/- each to eligible employee of Godrej Properties Limited and its subsidiary companies (the participating companies).

The Scheme is administered by an Independent ESOP Trust which has purchased Shares from Godrej Industries Limited (the holding Company) equivalent to the number of options granted by the participating companies. During the current year, finance is provided by Godrej Properties Limited to the ESOP Trust and the trust has purchased 442,700 shares of Godrej Properties Limited.

Particulars	No. of Options	Wt. Average Exercise Price (Rs.)
Options Outstanding at the beginning of the year	-	-
Options granted	442,700	620.00 (plus interest)
Options exercised	-	-
Less : Forfeited / Expired	-	-
Options Outstanding at the year end	442,700	620.00 (plus interest)

The Option granted shall vest after three years from the date of grant of option, provided the employee continues to be in employment and the option is exercisable within two years after vesting.

The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since, the price of underlying equity share on the grant date is same / less than the exercise price of the option, the intrinsic value of the option, therefore being determined as Nil.

12) Earnings Per Share

Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Profit after tax (Excluding Minority Interest as per Profit & Loss Account)(Rs. in mn)	760.28	288.23	121.33	57.78	28.09
Weighted average number of Equity Shares outstanding (Nos)	58,714,813	58,000,905	58,000,905	58,000,905	58,000,905
Basic/Diluted earnings per share (Rs.)	12.95	4.97	2.09	1.00	0.48
Nominal Value of share (Rs.)	10	10	10	10	10

Previous years figures have been recomputed due to issue of bonus shares during the year.

13) Dues To Micro, Small And Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Group is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts.

14) Deferred Tax

The tax effect of significant temporary differences that resulted in deferred tax assets are:

<i>(Rupees in Million)</i>					
Particulars	2007-08	2006-07	2005-06	2004-05	2003-04
Depreciation on Fixed Assets	0.73	0.80	0.94	0.56	0.45
Others	3.05	2.87	1.97	1.76	1.41
Deferred Tax Asset	3.78	3.67	2.91	2.32	1.86

15) Segment Information :

As the Group has only one business segment, disclosure under Accounting Standard 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

16) Employee Benefits**a. Defined Contribution Plans:**

Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

<i>(Rupees in Million)</i>	
Particulars	Current Year
Employers' Contribution to Provident Fund	4.26

b. Defined Benefit Plans:**(i) Contribution to Gratuity Fund**

Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment of Gratuity Act or as per the Group's policy whichever is beneficial to the employees.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2008:

<i>(Rupees in Million)</i>	
Particulars	Current Year
Change in present value of obligation	
Present value of obligation as at 1st April 2007	3.07
Interest Cost	0.25
Service Cost	0.62
Benefits Paid	-
Actuarial (gain)/loss on obligation	0.27
Present value of obligation, as at 31st March 2008	4.21
Amount recognised in the Balance Sheet	
Present value of obligation, as at 31st March 2008	4.21
Fair value of plan assets as at 31st March 2008	-
Net obligation as at 31st March 2008	4.21
Net gratuity cost for the year ended 31st March 2008	
Current Service Cost	0.62
Interest Cost	0.25
Expected return on plan assets	-
Net Actuarial (gain)/loss to be recognised	0.27
Net gratuity cost	1.14
Assumptions used in accounting for the gratuity plan	
	%
Discount Rate	8
Salary escalation rate	5
Expected rate of return on plan assets	8

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Since, this is the first year of AS – 15 (Revised 2005) being applicable, previous year's figures have not been provided.

17) Information in respect of Joint Ventures

Jointly Controlled Operations - Development of the following Residential / Commercial Projects:

Coliseum, Mumbai
Woodsman Estate, Bangalore
Gold County, Bangalore
Planet Godrej, Mumbai
La Vista, Mumbai
Glenelg, Mumbai
Edenwoods, Mumbai

Shivajinagar, Pune
NLM, Kalyan
GVD, Kalyan
MPM, Kalyan
RSM/HKB, Kalyan
Mangalore Project
Sanjay Khan, Bangalore
Grenville Park, Mumbai
Walkeshwar, Mumbai
Waldorf, Oshiwara
Castlemaine, Pune
Chandigarh Project
Waterside IT Park
Godrej Genesis, Kolkata

- 18)** Previous year figures have been regrouped / rearranged where ever necessary to confirm to current year's classification.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our restated consolidated financial statements for the fiscal years 2008, 2007, 2006, 2005 and 2004, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 162 of this Draft Red Herring Prospectus. These financial statements are based on our audited consolidated financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines. Our audited consolidated financial statements are prepared in accordance with Indian GAAP. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward-Looking Statements" and "Risk Factors" beginning on page xxvi and page xxvii of this Draft Red Herring Prospectus.

Overview

We are one of the leading real estate development companies in India and are based in Mumbai, Maharashtra. We currently have real estate development projects in 11 cities in India, which are at various stages of development. Currently, our business focuses on residential, commercial and township developments. We are a fully integrated real estate development company undertaking our projects through our in-house team of professionals and by partnering with companies with domestic and international operations.

Our parent company, Godrej Industries Limited, currently holds 81.41% of our equity share capital. Godrej Industries Limited is the listed flagship company of the Godrej group of companies. The Godrej group of companies includes Godrej & Boyce Manufacturing Company Limited and is one of the leading conglomerates in India. The Godrej group was awarded the "Corporate Citizen of the Year" award by the Economic Times in 2003 and the Godrej brand was selected as the fourth best brand in India in The Week magazine's 'Mood of the Nation @ 60' survey published on August 19, 2007.

Our residential portfolio consists of various types of accommodation of varying sizes. In our commercial portfolio, we build office space catering to blue-chip Indian and international companies, IT parks catering to the requirements of IT/ITES companies and retail space. Our township portfolio includes integrated townships consisting of residential and commercial developments.

We entered into our first project in 1991. We initially concentrated our operations in the Mumbai Metropolitan region and later expanded to include other cities such as Pune, Bangalore, Kolkata and Hyderabad. Recently, we have diversified into Ahmedabad, Mangalore, Chandigarh, Chennai, Kochi and Greater Noida.

"Developable Area" refers to the total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open area, including car parking. Such area, other than car parking space, is often referred to in India as "super built-up" area. "Saleable Area" refers to the part of the Developable Area relating to our economic interest in such property. As of May 15, 2008, we have completed a total of 19 projects comprising 13 residential and six commercial projects, aggregating approximately 3.62 million sq. ft. of Developable Area.

Our Land Reserves may be broadly classified into land to be developed by us as "ongoing projects", which are projects for which approval to begin construction has been granted by the relevant authority ("Ongoing Projects"), and "forthcoming projects", which are projects for which (i) land has been acquired or a memorandum of understanding or development agreement has been executed; (ii) conversion from agricultural land has been completed, if necessary, or an application for change in status to non-

agricultural/commercial/residential use has been submitted to the relevant authority; and (iii) internal project development plans are complete (“Forthcoming Projects”).

Our total Land Reserves currently stands at 404 acres, aggregating to approximately 78.87 million sq. ft. of Developable Area and 54.98 million sq. ft. of Saleable Area, which includes our Ongoing Projects and Forthcoming Projects. The aforesaid Land Reserves include 54.1 acres which are in the process of being aggregated.

The table below provides our Land Reserves and estimated Developable Area and Saleable Area by cities as of May 15, 2008:

Location	Estimated Developable Area (in million sq. ft.)	Estimated Saleable Area (in million sq. ft.)	Acreage*
Mumbai	1.38	0.55	8
Pune	0.55	0.16	4
Bangalore	2.87	2.18	26
Kolkata	6.76	4.71	31
Hyderabad	9.60	9.60	34
Mangalore	0.78	0.57	5
Ahmedabad	40.42	27.32	223
Chandigarh	0.46	0.19	2
Kochi	2.83	1.98	15
Chennai	1.90	1.42	14
Greater Noida	11.32	6.30	42
TOTAL	78.87	54.98	404

* Area refers to the share of the Company only.

In addition, we have entered into memoranda of understanding with certain members of the Godrej group of companies for developing land owned by them in various regions across the country. This land does not form a part of our Land Reserves and the memoranda of understanding do not constitute definitive agreements for the development of this land. The details of these memoranda of understanding are as follows:

Group Company	City	Acreage
Godrej & Boyce Manufacturing Company Limited	Mohali (Chandigarh)	75
Godrej Agrovet Limited	Bangalore	100
Godrej Industries Limited	Mumbai	35
Godrej & Boyce Manufacturing Company Limited	Hyderabad	10
TOTAL		220

For further details of the memoranda of understanding, please refer to the section “Our Business – Memoranda of Understanding with the Godrej Group Companies”, beginning on page 81 of this Draft Red Herring Prospectus.

Our consolidated total income was Rs. 2,275.09 million for the fiscal year 2008 and Rs. 1,372.62 million for the fiscal year 2007, as compared to Rs. 704.58 million for the fiscal year 2006. Our consolidated profit after tax and minority interest was Rs. 760.28 million for the fiscal year 2008 and Rs. 288.23 million for the fiscal year 2007, as compared to Rs. 121.33 million for the fiscal year 2006.

Basis of Preparation

In accordance with Accounting Standard 21 – Consolidated Financial Statements (“AS – 21”), our restated consolidated financial statements for the fiscal years 2008 consolidate the financial results of subsidiaries that are more than 50% owned or controlled by our Company, which includes Happy Highrises

Limited, Godrej Waterside Properties Private Limited, Girikandra Holiday Homes and Resorts Limited, Godrej Realty Private Limited, Godrej Sea View Properties Private Limited, Godrej Real Estate Private Limited and Godrej Developers Private Limited. Our restated consolidated financial statements for the fiscal year 2007 consolidate the financial results of subsidiaries that are more than 50% owned or controlled by our Company, which includes Godrej Waterside Properties Private Limited, Girikandra Holiday Homes and Resorts Limited, Godrej Realty Private Limited, Godrej Sea View Properties Private Limited, Godrej Real Estate Private Limited and Godrej Developers Private Limited. Our restated consolidated financial statements for the fiscal year 2006 consolidate the financial results of Godrej Waterside Properties Private Limited, Godrej Realty Private Limited and Girikandra Holiday Homes and Resorts Limited. Our restated consolidated financial statements for the fiscal year 2005 consolidate the financial results of Girikandra Holiday Homes and Resorts Limited. Our financial results are prepared and presented in one business segment, real estate development.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

General Economic Condition and the Condition and Performance of the Real Estate Market of India

The economic condition of India, particularly in and around Mumbai, Pune, Bangalore and Kolkata, has a direct impact on our income, as a substantial part of our operations are located in these cities. We believe that the success of our developments is dependent on the general economic conditions in India. Growth in the GDP and per capita income of Indians generally results in increased demand for real estate developments and as such, an increase in our income. The real estate development industry has shown an increase in demand in the past few years in all types of developments, including housing, IT parks, hotels, serviced residences, resorts and shopping malls. Rising disposable incomes in the middle and higher income groups have resulted in an increase in demand for improved residential housing, as well as higher quality retail space. The growth in the Indian economy, and specifically the success of the Indian IT and other industries, has also led to increased demand for high quality space. In short, developments in the real estate sector are driven by:

demand for more housing in cities and towns due to the growing urbanisation of the Indian populace, an expanding middle class, increased disposable income, diverse range of housing choices, trend towards nuclear families and the easy availability of housing finance and tax incentives;

demand for office premises from the growing IT, ITES and other industries;

demand for the development of special economic zones driven by government incentives; and

the development of infrastructure, including roads, airports and intra-city connectivity.

Supply of Land and its Cost of Acquisition

Our operations are dependent on the availability of land at appropriate locations for our developments, as well as the cost of acquisition of land and, in case of joint developments, the terms of sharing of revenues and/or Developable Areas. Our growth is directly linked to the availability of land in areas where we can develop properties that are marketable. Any government regulations, policies or other developments that restrict the acquisition of land or increase competition for land may therefore affect our operations. Land used in a specific project is assigned to such project and included in the cost of construction and development of such project. Such costs of land, together with costs of construction and development, are expensed for projects as and when they are sold.

The cost of acquisition of freehold or leasehold land and the effective cost of development rights in the case of joint developments are significant factors for real estate developers, including us. Our practice has been to either enter into development agreements, in lieu of acquiring freehold or leasehold interests in land, or acquire the land we intend to develop. The practice of entering into development agreements eliminates the up

front costs of acquiring such land and, as such, also reduces our financing costs, though it requires us to share revenues generated or Developable Area developed from such developments with the land owners. In such developments, we obtain the right to construct and develop the property from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of developed property, revenues or profits generated from such development. For such developments, we generally incur all of the construction and development costs.

Costs of Construction and Development

The costs of construction primarily comprise cost of steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings, wood and other materials, as well as labour. In most instances, we undertake the procurement of basic construction materials ourselves and look to sub-contractors only for labour. We generally procure construction materials from high quality and reliable suppliers and in wholesale amounts or prices to effectively manage our construction costs, time schedules and quality. Our costs of construction are the most significant portion of our total expenditure. Other items in cost of sale include cost of land development rights or cost of land, construction infrastructure, architect fees, advertisement and selling expenses, other overhead costs and interest. Our cost of sales comprised 38.15%, 55.25%, 60.36%, and 62.45% of our total income for the fiscal years 2008, 2007, 2006, and 2005, respectively.

Cost of Financing

Cost of financing is material for us, as we require significant capital to develop projects. Our total outstanding indebtedness, on a consolidated basis, was Rs. 2,731.20 million, Rs. 1,384.47 million, Rs. 132.76 million and Rs. 441.73 million as of March 31, 2008, 2007, 2006 and 2005, respectively, and our net interest and financial charges were Rs. 38.16 million, Rs. 40.49 million, Rs. 52.98 million and Rs. 35.60 million for the fiscal years 2008, 2007, 2006 and 2005, respectively.

Residential properties accounted for Rs. 1,513.48 million, Rs. 1,231.25 million, Rs. 472.93 million and Rs. 233.55 million of our total income for the fiscal years 2008, 2007, 2006 and 2005, respectively, which was 66.52%, 89.70%, 67.12% and 55.81%, respectively, of our total income for such periods. One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. Interest rates have declined in the last decade. As a result, the amount of housing loans disbursed in India has been increasing steadily. However, the rates of interest for housing and other loans have shown an increasing trend in India in the recent past.

Critical Accounting Policies

Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956. Certain critical accounting policies that are relevant to our business and operations are described below.

Revenue Recognition

We follow the "Percentage of Completion Method" of accounting. As per this method, revenue in Profit and Loss Account at the end of the accounting year is recognised in proportion to the actual cost incurred as against the total estimated cost of projects under execution by us. Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion.

Income from operation of commercial complexes is recognized over the tenure of the lease or service agreement. Interest income is accounted on an accrual basis at contracted rates. Dividend income is recognised when the right to receive the same is established.

Depreciation

Depreciation is provided on written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

assets acquired on lease are depreciated over the period of the lease;

leasehold improvements are amortised over a period of five years; and

intangible assets are amortised over a period of six years.

Inventories

Inventories are valued as follows:

- Completed flats: at lower of cost or market value; and
- Construction work-in-progress: at cost.

Construction work-in-progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by us.

Development Manager Fees

We have entered into development and project management agreements with certain landlords. Accounting for income from such projects is done on accrual basis on percentage of completion or as per the terms of the agreement.

Results of Operations

The following table sets forth select financial data from our consolidated restated profit and loss statement for the fiscal years 2008, 2007, 2006 and 2005, the components of which are also expressed as a percentage of total income for such periods:

	Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year	
	2008		2007		2006		2005	
	(Rs. in Millions)	% of Total Income	(Rs. in Millions)	% of Total Income	(Rs. in Millions)	% of Total Income	(Rs. in Millions)	% of Total Income
Sales	1,964.84	86.36	1,172.47	85.42	567.71	80.57	339.23	81.06
Operating and Other Income	310.25	13.64	200.15	14.58	136.87	19.43	79.25	18.94
Total Income.....	2,275.09	100.00	1,372.62	100.00	704.58	100.00	418.48	100.00
Cost of Sales.....	867.86	38.15	758.40	55.25	425.25	60.36	261.36	62.45
Staff Cost.....	97.96	4.31	69.48	5.06	22.93	3.25	18.53	4.43
Administration Expenses.....	109.37	4.81	40.88	2.98	19.77	2.81	11.70	2.80
Interest and Finance Charges (Net).....	38.16	1.68	40.49	2.95	52.98	7.52	35.60	8.51
Depreciation	9.2	0.40	7.01	0.51	5.07	0.72	3.32	0.79
Profit Before Tax and Minority Interest.....	1,152.54	50.66	456.36	33.25	178.58	25.35	87.97	21.02
Profit after Tax and Minority Interest.....	760.28	33.42	288.23	21.00	121.33	17.22	57.78	13.81

Income. We are in the business of development of residential and commercial properties. Our sales and operating income comprises income from the development and sale of residential, commercial and township properties. Our other income includes income generated from profit on disposal of fixed assets and other miscellaneous income.

Our total income was Rs. 2,275.09 million for the fiscal year 2008 as compared to Rs. 1,372.62 million for the fiscal year 2007 and Rs. 704.58 million for the fiscal year 2006 as compared to Rs. 418.48 million for the fiscal year 2005, representing fiscal year over fiscal year increases of 65.75%, 94.81% and 68.37%, respectively. The increase in our total income for the fiscal years 2006 and 2007 was comparatively higher than the increases in fiscal year 2005 due to increase in sales from Godrej Woodsman Estate, Bangalore - Phase I; Planet Godrej, Mahalaxmi, Mumbai; Godrej Waldorf, Oshiwara, Mumbai; and Godrej Coliseum – Phase II, Sion, Mumbai.

The table below provides our income and percentage of total income from real estate development and leasing for the periods indicated:

Activity	Fiscal Years							
	2008		2007		2006		2005	
	(Rs. in Millions)	% of Total Income	(Rs. in Millions)	% of Total Income	(Rs. In Millions)	% of Total Income	(Rs. in Millions)	% of Total Income
Real Estate Development Business	2,275.08	100.00	1,367.44	99.62	651.45	92.46	392.91	93.89
Leasing Business	0.01	Negligible	5.18	0.38	53.13	7.54	25.57	6.11
Total	2,275.09	100.00	1,372.62	100.00	704.58	100.00	418.48	100.00

We account for income from sale of constructed projects using the percentage of completion method. As per this method, revenue in the Profit and Loss Account is recognised in proportion to the actual cost incurred as against the total estimated cost of projects under execution by us. Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. If the actual project cost incurred is less than 20% of the total estimated project cost, no income is recognised in respect of that project in the relevant period. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined. Profits so recognised in respect of individual projects are adjusted to ensure that they do not exceed the estimated overall profit margin. Losses, if any, are fully provided for immediately.

We typically enter into contracts with our customers while the project is still under development. Customers wishing to buy a property in a development are required to make an initial payment at the time of booking and pay the remaining purchase price either in full or in instalments over the period between the date of booking and the date on which the property is to be transferred. Accordingly, bookings of Saleable Area rather than the actual amounts received determine revenue recognition under the percentage of completion method.

We estimate the total cost of a project, based on similar considerations, prior to its commencement. Our project planning and execution teams have extensive experience of prior projects, which enables them to estimate and monitor project costs. Our project execution teams re-evaluate project costs periodically, particularly when in their opinion, there have been significant changes in market conditions, cost of labour and materials and other contingencies. Material re-evaluations will affect our income in the relevant fiscal periods.

Expenditure. Our total expenditure consists of cost of sales, staff cost, administrative expenses, net interests and finance charges and depreciation. Our total expenditure as a percentage of our total income was 49.34%, 66.75%, 74.65% and 78.98% for the fiscal years 2008, 2007, 2006 and 2005, respectively. Expenses

allocable to a specific development are provided under cost of sales of such development. All incurred expenses which are not specific to a particular project are accounted for separately as staff cost, administrative expenses, interest and financial charges, depreciation or as general overhead costs.

Cost of Sales. Our cost of sales consists of costs of our building and finishing materials, such as steel, cement, flooring products, hardware, lifts, mechanical and electrical equipment, doors and windows, bathroom fixtures and other interior fittings and wood, costs of development rights over land or acquisition of land, construction expenses including sub-contractor costs and expenses, electrical work and power costs, architects' and consultants' fees, rates and taxes allocable to projects and other miscellaneous construction expenses. These expenses are our most significant expenses and accounted for 38.15%, 55.25%, 60.36% and 62.45% of our total income for the fiscal years 2008, 2007, 2006 and 2005, respectively. Costs of steel and cement have increased during the past three fiscal years. However, historically we have been able to price our properties to maintain our margins. We expect our cost of sales to continue to be a major portion of our expenditure.

Staff Cost. Staff cost consists of salaries and wages paid to our officers and employees, training and recruitment expenses, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Staff cost does not include the costs of labour, architects or consultants, which are allocable to specific developments and are provided for under cost of sales. Staff cost accounted for 4.31%, 5.06%, 3.25% and 4.43% of our total income for the fiscal years 2008, 2007, 2006 and 2005, respectively.

Administrative Expenses. Our administrative and selling expenses consist of consultancy charges, rent, power and fuel, insurance and repairs and maintenance costs, cost of project management, service charges, rates and taxes and other miscellaneous expenses. Administrative expenses accounted for 4.81%, 2.98%, 2.81% and 2.80% of our total income for the fiscal years 2008, 2007, 2006 and 2005, respectively.

Interest and Financial Charges. Interest and financial charges consist of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related processing charges. Net interest and financial charges include the effect of interest received from customers, project and landlords and others. Net interest and financial charges accounted for 1.68%, 2.95%, 7.52% and 8.51% of our total income for the fiscal years 2008, 2007, 2006 and 2005, respectively. See “– Financial Condition, Liquidity and Capital Resources – Indebtedness” beginning on page 259 this Draft Red Herring Prospectus for a summary of our outstanding indebtedness.

Depreciation. Depreciation is provided on written-down value (“WDV”) method and in accordance with the rates specified under Schedule XIV of the Companies Act, except

assets acquired on lease are depreciated over the period of the lease;

leasehold improvements are amortized over a period of five years; and

intangible assets are amortized over a period of six years.

The following table provides the depreciation rates for our tangible assets as of March 31, 2008:

Assets	Annual Depreciation Rate
Motor Vehicle	25.89% on WDV
Furniture & Fixtures	18.10% on WDV
Office Equipments	13.91% on WDV
Computer	40.00% on WDV

Taxation. We provide for both current taxes, comprising of income tax, wealth tax and fringe benefit tax, and deferred taxes. Tax on income for the current period is determined on the basis of estimated taxable income and tax credit, if any, and computed in accordance with the provisions of applicable law. Deferred tax arises mainly due to the timing differences between accounting income and the estimated taxable income for the period and is quantified using the tax rates and laws enacted or substantially enacted as on the relevant balance sheet date. Our deferred tax liability is recognized net of deferred tax assets, if any.

Tax rates applicable to us for the fiscal year 2008 are as follows:

Rate of Tax	30.00%
Surcharge on Tax @ 10%	3.00%
Education Cess on Rate of Tax and Surcharge @ 2%	0.66%
Secondary and Higher Education Cess on Rate Of Tax and Surcharge @ 1%	0.33%
Total Tax Rate	33.99%

For a summary of tax benefits available to us, see “Statement of Tax Benefits” beginning on page 41 of this Draft Red Herring Prospectus.

Fiscal Year 2008 Compared to Fiscal Year 2007

Income. Our total income increased by 65.75% to Rs. 2,275.09 million for the fiscal year 2008 from Rs. 1,372.62 million for the fiscal year 2007, primarily due to an increase in our sales and operating income receipts.

Sales. Our sales increased by 67.58% to Rs. 1,964.84 million for the fiscal year 2008 from Rs. 1,172.47 million for the fiscal year 2007, primarily due to revenue recognised as a result of sales from Godrej Woodsman Estate, Bangalore – Phase I amounting to Rs. 1,264.01 million, Godrej Woodsman Estate, Bangalore – Phase II amounting to Rs. 644.25 million and Planet Godrej, Mahalaxmi, Mumbai amounting to Rs. 55.24 million. We recognised revenue under the percentage of completion method from Godrej Woodsman Estate, Bangalore – Phase I and Planet Godrej, Mahalaxmi, Mumbai, the average completion of which was 80.00% and 84.30%, respectively, in the fiscal year 2008, as compared to the average completion of which was 44.97% and 71.65%, respectively, in the fiscal year 2007.

Operating and Other Income. Our operating and other income increased by 55.01% to Rs. 310.25 million for the fiscal year 2008 from Rs. 200.15 million for the fiscal year 2007, primarily due to receipt of project management fees amounting to Rs. 60 million for Godrej Eternia A, Shivaji Nagar, Wakdewadi, Pune.

Total Expenditure. Our total expenditure increased by 22.51% to Rs. 1,122.55 million for the fiscal year 2008 from Rs. 916.26 million for the fiscal year 2007, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales which rose to Rs. 867.86 million in fiscal year 2008 from Rs. 758.40 million in fiscal year 2007. Total expenditure also increased due to increased staff cost and administration expenses as a result of the overall growth of our development activities, particularly for our developments, Godrej Woodsman Estate, Bangalore – Phase I and Planet Godrej, Mahalaxmi, Mumbai.

Cost of Sales. Our cost of sales increased by 14.43% to Rs. 867.86 million for the fiscal year 2008 from Rs. 758.40 million for the fiscal year 2007, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Staff Cost. Our staff cost increased by 40.99% to Rs. 97.96 million for the fiscal year 2008 from Rs. 69.48 million for the fiscal year 2007, primarily due to an increase in the number of employees from 106 as of March 31, 2007, to 132 as of March 31, 2008, and an increase in the salaries, wages and bonuses paid to our officers and employees.

Administrative Expenses. Our administrative expenses increased by 167.54% to Rs. 109.37 million for the fiscal year 2008 from Rs. 40.88 million for the fiscal year 2007, primarily due to an increase in consultancy charges to Rs. 67.21 million, rent charges to Rs. 11.44 million, power and fuel expenses to Rs. 1.16 million and other operating expenses to Rs. 26.11 million.

Interest and Financial Charges. Our net interest and financial charges decreased by 5.75% to Rs. 38.16 million for the fiscal year 2008 from Rs. 40.49 million for the fiscal year 2007, due to an increase in the interest received from project landlords and others amounting to Rs. 236.48 million, which partially offset total interest paid of Rs. 267.54 million.

Depreciation. Our depreciation charge increased by 31.24% to Rs. 9.20 million for the fiscal year 2008 from Rs. 7.01 million for the fiscal year 2007. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 14.29 million.

Taxation. Our provision for taxes increased by 132.89% to Rs. 393.94 million for the fiscal year 2008 from Rs. 169.15 million for the fiscal year 2007. The primary component of this increase was an increase in our current tax liability to Rs. 392.80 million in the fiscal year 2008 from Rs. 169.14 million in the fiscal year 2007, corresponding with the increase in our profit before tax.

Profit After Tax. Our profit after tax and minority interest increased by 163.78% to Rs. 760.28 million for the fiscal year 2008 from Rs. 288.23 million for the fiscal year 2007.

Fiscal Year 2007 Compared to Fiscal Year 2006

Income. Our total income increased by 94.81% to Rs. 1,372.62 million for the fiscal year 2007 from Rs. 704.58 million for the fiscal year 2006, primarily due to an increase in our sales and operating income receipts.

Sales. Our sales increased by 106.53% to Rs. 1,172.47 million for the fiscal year 2007 from Rs. 567.71 million for the fiscal year 2006, primarily due to revenue recognised as a result of an increase in sales and development of Godrej Woodsman Estate, Bangalore – Phase I and Planet Godrej, Mahalaxmi, Mumbai, which amounted to Rs. 679.91 million and Rs. 29.82 million, respectively. We recognised revenue under percentage of completion method from Godrej Woodsman Estate, Bangalore – Phase I and Planet Godrej, Mahalaxmi, Mumbai, the average completion of which was 44.97% and 71.65%, respectively, in the fiscal year 2007, as compared to the average completion of which was 21.44% and 60.38%, respectively, in the fiscal year 2006.

Operating and Other Income. Our operating and other income increased by 46.23% to Rs. 200.15 million for the fiscal year 2007 from Rs. 136.87 million for the fiscal year 2006, primarily due to a break fee of Rs. 120.00 million received in the fiscal year 2007 as a result of the cancellation of a MOU by CESC Limited.

Total Expenditure. Our total expenditure increased by 74.19% to Rs. 916.26 million for the fiscal year 2007 from Rs. 526.00 million for the fiscal year 2006, primarily as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales which rose to Rs. 758.40 million in fiscal year 2007 from Rs. 425.25 million in fiscal year 2006. Total expenditure also increased due to increased staff cost and administration expenses as a result of the overall growth of our development activities, particularly for our developments, Godrej Woodsman Estate, Bangalore – Phase I and Planet Godrej, Mahalaxmi, Mumbai.

Cost of Sales. Our cost of sales increased by 78.34% to Rs. 758.40 million for the fiscal year 2007 from Rs. 425.25 million for the fiscal year 2006, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Staff Cost. Our staff cost increased by 203.01% to Rs. 69.48 million for the fiscal year 2007 from Rs. 22.93 million for the fiscal year 2006, primarily due to an increase in the number of employees from 81 as of March 31, 2006, to 106 as of March 31, 2007, and an increase in the salaries, wages and bonuses paid to our officers and employees.

Administrative Expenses. Our administrative expenses increased by 106.78% to Rs. 40.88 million for the fiscal year 2007 from Rs. 19.77 million for the fiscal year 2006, primarily due to an increase in consultancy charges to Rs. 16.68 million, rent charges to Rs. 9.42 million, power and fuel expenses to Rs. 1.05 million and other operating expenses to Rs. 11.74 million.

Interest and Financial Charges. Our net interest and financial charges decreased by 23.57% to Rs. 40.49 million for the fiscal year 2007 from Rs. 52.98 million for the fiscal year 2006, due to an increase in the interest received from project landlords and others amounting to Rs. 84.46 million, which partially offset total interest paid of Rs. 118.45 million.

Depreciation. Our depreciation charge increased by 38.26% to Rs. 7.01 million for the fiscal year 2007 from Rs. 5.07 million for the fiscal year 2006. The increase was due to the addition of fixed assets, including fixtures and furniture and computer equipment amounting to Rs. 12.47 million.

Taxation. Our provision for taxes increased by 195.46% to Rs. 169.15 million for the fiscal year 2007 from Rs. 57.25 million for the fiscal year 2006. The primary component of this increase was an increase in our current tax liability to Rs. 169.14 million in the fiscal year 2007 from Rs. 57.35 million in the fiscal year 2006, corresponding with the increase in our profit before tax.

Profit After Tax. Our profit after tax and minority interest increased by 137.56% to Rs. 288.23 million for the fiscal year 2007 from Rs. 121.33 million for the fiscal year 2006.

Fiscal Year 2006 Compared to Fiscal Year 2005

Income. Our total income increased by 68.37% to Rs. 704.58 million for the fiscal year 2006 from Rs. 418.48 million for the fiscal year 2005, primarily due to an increase in our sales and operating income receipts.

Sales. Our sales increased by 67.35% to Rs. 567.71 million for the fiscal year 2006 from Rs. 339.23 million for the fiscal year 2005, primarily due to increase in sales and development of Godrej Woodsman Estate, Bangalore – Phase I, which amounted to Rs. 263.59 million. We recognised revenue under the percentage of completion method from Godrej Woodsman Estate, Bangalore – Phase I, the average completion of which was 21.44%, in the fiscal year 2006. No revenue was recognised for such project in the fiscal year 2005, as the project commenced in the fiscal year 2006.

Operating and Other Income. Our operating and other income increased by 72.71% to Rs. 136.87 million for the fiscal year 2006 from Rs. 79.25 million for the fiscal year 2005, primarily due to an increase in income from development projects of Rs. 25.24 million and increase in lease rent of Rs. 27.56 million.

Total Expenditure. Our total expenditure increased by 59.15% to Rs. 526.00 million for the fiscal year 2006 from Rs. 330.51 million for the fiscal year 2005, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales which rose to Rs. 425.25 million in fiscal year 2006 from Rs. 261.36 million in fiscal year 2005, staff cost and administration expenses as a result of the overall growth of our development activities, particularly for our development, Godrej Woodsman Estate, Bangalore – Phase I.

Cost of Sales. Our cost of sales increased by 62.71% to Rs. 425.25 million for the fiscal year 2006 from Rs. 261.36 million for the fiscal year 2005, as a result of an increase in sales revenue resulting in corresponding recognition of cost of sales.

Staff Cost. Our staff cost increased by 23.75% to Rs. 22.93 million for the fiscal year 2006 from Rs. 18.53 million for the fiscal year 2005, primarily due to an increase in the number of employees from 63 as of March 31, 2005, to 81 as of March 31, 2006, and an increase in the salaries, wages and bonuses paid to our officers and employees.

Administrative Expenses. Our administrative expenses increased by 68.97% to Rs. 19.77 million for the fiscal year 2006 from Rs. 11.70 million for the fiscal year 2005, primarily due to an increase in consultancy charges to Rs. 4.37 million, rent charges to Rs. 2.09 million and other operating expenses to Rs. 11.52 million.

Interest and Financial Charges. Our net interest and financial charges increased by 48.82% to Rs. 52.98 million for the fiscal year 2006 from Rs. 35.60 million for the fiscal year 2005, due to an increase in the interest payment on borrowings from banks, financial institutions and other lenders of Rs. 75.79 million as a result of increased average total outstanding indebtedness, and related charges of Rs. 1.94 million. Our interest and financial charges were partially offset by interest received from customers and other sources, including from projects and landlords, amounting to Rs. 24.75 million.

Depreciation. Our depreciation charge increased by 52.71% to Rs. 5.07 million for the fiscal year 2006 from Rs. 3.32 million for the fiscal year 2005. The increase was due to the addition of fixed assets, including leasehold improvements, furniture and computer equipment, amounting to Rs. 15.80 million.

Taxation. Our provision for taxes increased by 89.63% to Rs. 57.25 million for the fiscal year 2006 from Rs. 30.19 million for the fiscal year 2005. The primary component of this increase was an increase in our current tax liability to Rs. 57.35 million in the fiscal year 2006 from Rs. 30.65 million in the fiscal year 2005, corresponding with the increase in our profit before tax.

Profit After Tax. Our profit after tax and minority interest increased by 109.99% to Rs. 121.33 million for the fiscal year 2006 from Rs. 57.78 million for the fiscal year 2005.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through funds generated from our operations and financing from banks and other financial institutions in the form of term loans. Our primary capital requirements have been to finance purchases of land, land development rights and development of our properties, as well as working capital requirements. We believe that we will have sufficient capital resources from our operations, net proceeds of this offering of equity shares and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months.

Cash Flows

The table below summarises our cash flows for the fiscal years 2008, 2007, 2006 and 2005:

(Rs. in Millions)	Fiscal Year			
	2008	2007	2006	2005
Net cash generated from / (used in) operating activities	(2,553.36)	(844.12)	508.44	313.46
Net cash generated from / (used in) investing activities	(113.41)	67.58	16.41	40.73
Net cash generated from / (used in) financing activities	2,591.97	752.59	(381.58)	(455.30)
Cash and cash equivalents as of March 31,	86.30	161.10	185.05	41.78

Cash and cash equivalents decreased to Rs. 86.30 million as of March 31, 2008 from Rs. 161.10 million as of March 31, 2007. Cash in form of bank deposits, current account balances and cash on hand represents our cash and cash equivalents.

Operating Activities. Net cash used in operating activities was Rs. 2,553.36 million for the fiscal year 2008, and consisted of net profit before taxation and minority interest of Rs. 1,152.54 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 9.20 million and other items, primarily interest charges (net of interest income) of Rs. 38.16 million, and changes in working capital, such as increases in trade and other receivables, inventories and loans and advances of Rs. 1,859.24 million, Rs. 1,675.88 million and Rs. 1,937.48 million, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 2,130.51 million and income tax payment of Rs. 411.42 million.

Net cash used in operating activities was Rs. 844.12 million for the fiscal year 2007, and consisted of net profit before taxation and minority interest of Rs. 456.36 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 7.01 million and other items, primarily interest charges (net of interest income) of Rs. 40.49 million, and changes in working capital, such as increases in trade and other receivables, inventories and loans and advances of Rs. 1,369.78 million, Rs. 940.43 million and Rs. 182.55 million, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 1,210.14 million and income tax payment of Rs. 65.33 million.

Net cash from operating activities was Rs. 508.44 million for the fiscal year 2006, and consisted of net profit before taxation and minority interest of Rs. 178.58 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 5.07 million, and other items, primarily interest charges (net of interest income) of Rs. 52.98 million, and changes in working capital, such as increase in trade and other receivables and inventories of Rs. 418.51 million and Rs. 38.78 million, respectively, as a result of increased sales and advances to development partners, which were partially offset by an increase in current liabilities and provisions of Rs. 763.61 million and income tax payment of Rs. 37.44 million.

Net cash from operating activities was Rs. 313.46 million for the fiscal year 2005, and consisted of net profit before taxation and minority interest of Rs. 87.97 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 3.32 million, and other items, primarily interest charges (net of interest income) of Rs. 35.60 million, and changes in working capital, such as decrease in loans and advances of Rs. 164.40 million, inventories of Rs. 47.82 million and increase in current liabilities and provisions of Rs. 36.32 million, partially offset by an increase in trade and other receivables of Rs. 21.91 million and income tax payment of Rs. 40.31 million.

Investing Activities. Net cash used in investing activities was Rs. 113.41 million for the fiscal year 2008, primarily for the purchase of fixed assets of Rs. 337.75 million and partially offset by the interest received from projects of Rs. 224.11 million.

Net cash from investing activities was Rs. 67.58 million for the fiscal year 2007, primarily from interest received from projects of Rs. 79.77 million and partially offset by the purchase of fixed assets of Rs. 12.47 million.

Net cash from investing activities was Rs. 16.41 million for the fiscal year 2006, primarily from interest received from projects of Rs. 24.26 million and partially offset by the purchase of fixed assets of Rs. 15.80 million.

Net cash from investing activities was Rs. 40.73 million for the fiscal year 2005, primarily from interest received from projects of Rs. 43.67 million, partially offset by the purchase of fixed assets of Rs. 3.36 million.

Financing Activities. Net cash generated from financing activities was Rs. 2,591.97 million for the fiscal year 2008, primarily as a result of the issuance of shares amounting on an aggregate basis to Rs. 1,504.90 million, incurrence of unsecured indebtedness of Rs. 290.00 million, secured working capital loans of Rs. 811.86 million and unsecured working capital loans of Rs. 110.57 million, partially offset by interest payments of Rs. 259.66 million.

Net cash generated from financing activities was Rs. 752.59 million for the fiscal year 2007, primarily as a result of incurrence of unsecured indebtedness of Rs. 1,015.00 million, secured working capital loans of Rs. 158.60 million and unsecured working capital loans of Rs. 50.17 million, partially offset by dividend payments of Rs. 378.56 million and interest payments of Rs. 120.50 million.

Net cash used in financing activities was Rs. 381.58 million for the fiscal year 2006, primarily as a result of interest payments of Rs. 77.50 million and repayments of unsecured term loans of Rs. 170.00 million and secured working capital loans of Rs. 162.64 million.

Net cash used in financing activities was Rs. 455.30 million for the fiscal year 2005, primarily as a result of interest payments of Rs. 79.96 million and repayments of secured term loans of Rs. 95.00 million, secured working capital loans of Rs. 94.81 million and unsecured term loans of Rs. 25.00 million, inter company deposits of Rs. 102.50 million and dividends paid of Rs. 51.39 million.

Investments

We hold equity shares of quoted and unquoted companies. Our total investments were Rs. 0.03 million, Rs. 0.01 million, Rs. 0.01 million, Rs. 0.02 million and Rs. 0.02 million as at March 31, 2008, March 31, 2007, March 31, 2006, March 31, 2005 and March 31, 2004, respectively.

Indebtedness

As of March 31, 2008, we had Rs. 2,731.20 million of aggregate principal amount of indebtedness outstanding. The following table provides certain characteristics of our outstanding indebtedness as at March 31, 2008:

Lender	Loan Type	Amount Outstanding (as of March 31, 2008) (Rs. in millions)	Total Amount of Credit Facility (Rs. in millions)	Interest rate as of March 31, 2008 (%)*	Repayment Schedule
HDFC Venture Trustee Company Limited	10% Secured Redeemable Optionally Convertible Debentures	215.60	-	10%	At the end of seven years from the deemed date of allotment or within seven days from the date of notice of redemption, whichever is earlier.
State Bank of India	Working Capital Loan	985.76	2,500.00	12.50%	November 28, 2008
The Catholic Syrian Bank Limited	Short Term Loan	100.00	100.00	10.0%	September 27, 2008
Punjab and Sind Bank	Short Term Loan	250.00	250.00	9.5%	August 12, 2008
Central Bank of India	Short Term Loan	500.00	500.00	10.5%	July 25, 2008
Central Bank of India	Short Term Loan	500.00	500.00	10.0%	October 31, 2008

IDBI Bank Limited	Working Capital Loan	160.74	500.00	11.75%	January 2, 2009
Various Individuals	Fixed Deposit	19.10	-	6.25%	October 5, 2008 to January 3, 2009

*The interest rates provided are the average interest rates for the year ending March 31, 2008.

See “Financial Indebtedness” beginning on page 265 of this Draft Red Herring Prospectus for a more detailed summary of our outstanding indebtedness.

Contingent Liabilities

The following table provides our contingent liabilities as of March 31, 2008:

Particulars	(Rs. in millions)
Uncalled amount of Rs. 80 and Rs. 30 on 70 and 75 Partly Paid shares respectively of Tahir Properties Limited	0.01
Claims against the Company not acknowledged as debts represent cases filed by parties in the consumer forum and High Court and disputed by the Company as advised by our advocates.	7.88
Claims against the Company under the Labour Laws for disputed cases	1.99
Guarantees given by Bank, counter-guaranteed by the Company	6.00
Letters of credit issued by banks on behalf of the Company	1.91
Claim against the Company under Bombay Stamp Act, 1958	14.85
Other claims against the Company not acknowledged as debts	3.93

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm’s lengths basis. Such transactions could be for provision of services, purchase and sale of goods, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see “Related Party Transactions” beginning on page 160 of this Draft Red Herring Prospectus.

Seasonality

Our operations may be adversely affected by difficult working conditions during monsoons that restrict our ability to carry on construction activities and fully utilise our resources. Otherwise, we generally do not believe that our business is seasonal.

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business.

Interest Rate Risk

We currently have floating rate indebtedness for our working capital requirements and also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates. As of March 31, 2008, Rs. 1,146.50 million of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts and affect our results of operations. It is likely that in the current fiscal year and in future periods our borrowings will rise substantially given our planned expenditures. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness or our deposits so as to manage interest rate risk.

Commodity Risk

We are exposed to market risk with respect to the prices of raw materials and components used in our developments. These commodities primarily are steel and cement. The costs of these raw materials and components are subject to fluctuation based on commodity prices. In the normal course of business, we purchase these raw materials and components either on a purchase order basis or pursuant to supply agreements. We currently do not have any hedging instruments in respect of any of the commodities we purchase.

Credit Risk

We are exposed to credit risk on sales receivables owed to us by our customers. If our customers do not pay us in a timely manner, or at all, we may have to make provisions for or write-off such amounts.

Known Trends or Uncertainties

Other than as described in this section and the section titled “Risk Factors” beginning on page xxvii of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Future Relationship between Costs and Income

Other than as described in this section and the section titled “Risk Factors” beginning on page xxvii of this Draft Red Herring Prospectus, to our knowledge there are no future relationship between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

Inflation

In recent years, although India has experienced minor fluctuation in inflation, inflation has not had material impact on our business and results of operations.

New Products or Business Segment

Other than as described in this Draft Red Herring Prospectus, we do not have any new products or business segments.

Competitive Conditions

We expect competition in the real estate development sector from existing and potential competitors to intensify. For further details please refer to the discussions of our competitive conditions in the sections entitled “Risk Factors” and “Business” beginning on pages xxvii and 63, respectively, of this Draft Red Herring Prospectus.

Significant Developments after March 31, 2008 that may affect our Future Results of Operations

The Company has agreed to transfer its shareholding in Girikandra Holiday Homes and Resorts Limited to Valuable Infrastructure Private Limited on April 29, 2008 for a consideration of Rs. 196.19 million and has received a sum of Rs. 110.00 million. In addition to the above, Valuable Infrastructure Private Limited has discharged the unsecured loan standing in the books of Girikandra Holiday Homes & Resorts Limited for an amount of Rs. 28.81 million in favour of the Company.

In compliance with AS 4, to our knowledge no circumstances other than as disclosed in this Draft Red Herring Prospectus have arisen since the date of the last restated consolidated financial statements contained in the Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of the Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on May 15, 2008 the details of our indebtedness is as follows:

(Rs. in Million)

S. No.	Nature of Borrowing	Amount Sanctioned	Amount Availed
1.	Secured Borrowings	2,500.00	831.24
2.	Unsecured Borrowings	2,350.00	2,138.14

Set forth below is a brief summary of our aggregate borrowings as on May 15, 2008:

Details of Secured Borrowings

1. Secured Loans

Type of Facility	Total Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Date of Availment	Rate of Interest and Repayment Schedule	Security
State Bank of India					
Cash Credit Component (CCC)/ Working Capital Demand Loan (WCDL)	2,000.00	CCC: 331.24 WCDL: 500.00	November 29, 2007 April 25, 2008	Interest for CCC : At SBAR i.e., 12.25% per annum as of May 15, 2008 Interest for WCDL: 9% per annum Repayment for CCC: November 28, 2008 Repayment for WCDL: May 24, 2008 No prepayment is permitted	Secured by charge on the immovable property viz., land and building, at Juhu, Mumbai
Inland/Import Letter of Credit	150.00	Nil	-	Interest: N.A	Extension of charge on immovable property at Juhu, Mumbai available for fund based working capital

Type of Facility	Total Sanctioned Amount (Rs. In Million)	Amount Outstanding (Rs. In Million)	Date of Availment	Rate of Interest and Repayment Schedule	Security
Bank Guarantees*	350.00 (for working capital purpose)	5.00 1.00	December 5, 2007 May 5, 2006	Interest: N.A Date of Expiry: December 31, 2011 December 4, 2008	facilities Extension of charge on immovable property at Juhu, Mumbai available for fund based working capital facilities

*Two different bank guarantees availed

2. Unsecured Borrowings

The unsecured loans of the Company outstanding as on May 15, 2008, are as follows:

Lender	Amount Outstanding (Rs. In Million)	Date of Availment	Term of Loan (in months)
Catholic Syrian Bank Limited	100.00	September 27, 2007	12
IDBI Bank *	269.04	January 2, 2008	12
Punjab and Sind Bank	250.00	Rs. 150 million availed on February 12, 2008 Rs. 100 million availed on March 25, 2008	6
Central Bank of India	1,500.00	Rs. 500 million availed on July 26, 2007 Rs. 500 million availed on November 1, 2007 Rs. 500 million availed on April 11, 2008	12
Fixed Deposits [#]	19.10	N.A.	N.A.

*Total sanction limit of Rs. 500 million

[#] The details for the Fixed Deposit are as mentioned below:

Lender of the Fixed Deposit	Amount Outstanding (Rs. in million)
Director of the Company	18.84
Others	0.26

Corporate Actions:

Some of the corporate actions for which the Company requires the prior written consent of lenders include the

following:

1. to create any subsidiary or permit any company to become its subsidiary;
2. to undertake or permit any merger, consolidation, reorganisation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
3. to make any investments by way of deposits, loans, share capital etc in any concern. This will not apply to normal trade guarantees or temporary loans and advances granted to staff or contractors or suppliers in the ordinary course of business; and
4. to carry any general trading activity that does not relate to the Company's ordinary course of business.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings, or criminal proceedings, or prosecutions, or tax liabilities by or against us, our Subsidiaries, against our Directors, or our Promoters or our Promoter Group, and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ and other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act) that would result in material adverse effect on our consolidated business taken as a whole. None of the aforesaid persons / companies is on RBI's list of wilful defaulters.

Litigation Against the Company

Civil Proceedings

1. A. L. Annamalai and another have filed a Petition (Writ Petition No.727/2008 (GM-BDA)) before the High Court of Karnataka, for issuance of a writ of certiorari quashing the sanctioned plan dated December 13, 2005 in relation to the property situated at Hebbal Village, Kasaba Hobli, Bangalore. The Petitioners are aggrieved by a proposal of widening the existing public road connecting Bellary Road to Dasarahalli between the properties belonging to them and the State Government. Their contention is that while granting plan sanction, Bangalore Development Authority sanctioned road of 60 feet. The Petitioners are claiming right over existing public road. The Company is Respondent No.3 in the said Petition and has filed its statement of objection in reply on February 7, 2008 wherein it has contended that Company obtained order of conversion of land use from industrial to residential/commercial, sanctioned building plan as well as work order for the construction of the building from the Bangalore Development Authority, none of which disclose sanctioning of the 60 feet road. As on date, the entire civil construction of the buildings has been approved by the Bangalore Development Authority and the Company has sold most of the flats in the group housing scheme and have agreed to build and sell the space in the commercial building. The matter is pending.
2. Mr. Undrya Sukrya Murkute was the tenant of land bearing survey no. 6, Hissa 14 and 16 situated at Village Barave, Taluka Kalyan, District Thane, belonging to one Mr. Gulamali Moulvi. Mr. Murkute died leaving behind two widows and two daughters. On an application made under the Bombay Tenancy and Agricultural Lands Act, the Additional Mamlatdar and Agricultural Lands Tribunal, Kalyan declared the family members of Mr. Murkute's the statutory purchasers and accordingly a mutation was made in their names. By an Agreement of Sale dated May 10, 1985 the widows agreed to sell the land to one Mr. Dalvi. Thereafter, negotiations for sale of the land commenced between Mr. Dalvi and our Company, the land being acquired for the purposes of development. Our Company issued a public notice inviting objections in respect of the proposed sale. Mr. Moulvi, heir of the said Mr. Gulamali Moulvi, put up a claim to the said property.. The said property was allegedly acquired by Mr. Ramesh Mehta through an Agreement for Sale dated July 7, 1995 with Mr. Moulvi, for the purpose of development. Mr. Moulvi filed a Special Civil Suit (Special Civil Suit No. 303/1997) against our Company and others before the Senior Division Civil Court, Kalyan, for declaration of ownership to title, injunction and partition of the suit property. Also, Mr. Ramesh Mehta filed a case against our Company bearing Regular Suit No. 123/1997 in respect of the above mentioned suit property. Mr. Ramesh Mehta made an application in Civil Suit No. 303/1997 impleading him as a party to the proceedings in Civil Suit No. 303/1997 filed by the petitioner against our Company and others. By an order and judgment dated July 5, 2006, Civil Judge Kalyan directed the petitioners to implead Mr. Ramesh Mehta as a necessary party to the said suit and amend the plaint. Being aggrieved by the said order and judgment, the Petitioner filed a writ petition before the Hon'ble Bombay High Court challenging the validity and legality of the said order dated July 5, 2006. Respondent (i.e. Mr.

Moulvi and Mr. Ramesh Mehta) claim to have a right in the suit property under an Agreement dated July 7, 1995. The contention of the Company is that the development work in the said premises had begun by our Company and the entire consideration had been paid to Mr Dalvi, who has in turn fully paid the owners of the land. Further, the Company had also created third party rights in respect of the said premises in the buildings to be constructed. The matter relates to conflicting claims over the said land, and is pending.

3. Thames Co-operative Housing Society Limited, Godrej Hill, Kalyan, filed a suit (No. 262/2002) dated December 3, 2002 before the Civil Judge, Kalyan, for declaration and issue of mandatory injunction under the Specific Relief Act, 1963 read with the Maharashtra Ownership Flat Act, 1963. Our Company had developed a property, sold certain flats and formed a society, being the Plaintiff Society. The contention of the Plaintiff Society is that under Section 11 of the Maharashtra Ownership Flat Act, 1963, it is mandatory for our Company as a builder/promoter to execute and register Deed of Conveyance vesting right, title and interest in favour of the Plaintiff within a period of four months for the formation of the society. The Plaintiff has prayed for the issue of a mandatory injunction ordering our Company to execute a deed of conveyance in favour of the Plaintiff. The Company has filed its reply contending that after all the buildings of the complex were completed and the organization of the purchaser and/or federal society is registered, our Company shall transfer to the said organisation/federal society all the rights, title and interest of the building through execution of appropriate conveyance deeds. The flat purchasers were aware of this and had consented to the same. The matter is pending.
4. Dr. Sam Batlivala filed a consumer complaint (Complaint No. 1143/1997) on March 17, 1997, before the State Consumer Disputes Redressal Forum against the Company, on grounds of delayed possession and deficiency in service in Company's Project Godrej Hill, Kalyan, Flat No. 15, 4th Floor. The amount of compensation sought is Rs. 0.12 million being the interest amount calculated at 24% per annum. Our Company has submitted in its reply filed on April 27, 1997 that the Agreement for sale/purchase of the said premises provided for a reasonable extension of time after December 31st, 1995, the date on which the possession was to be given. Our Company had informed the Complainant that the delay in possession was due to the non-issuance of the occupation certificate by the Kalyan Municipal Corporation. The complaint was dismissed by the District Forum dated March 22, 2000. Dr. Batlivala filed an appeal on September 25, 2000 before the Maharashtra State Consumer Disputes Redressal Commission against the order of the District Forum. The appeal came up for admission on March 5, 2000 and is pending before the Maharashtra State Consumer Disputes Redressal Commission. The Company has filed its reply and no further date has been fixed in the matter.
5. The Plaintiff, Petunia Cooperative Housing Society, is a registered Cooperative Housing Society bearing Registration No.RGD/PWL/HSG/TC/1165/99. The society has forty members and each of them are occupying flats in the building known as Petunia, located in the complex of "Godrej Sky Garden" developed by the defendants, our Company. The plaintiff filed the instant suit (Regular Civil Suit No. 17/2002) for declaration and injunction, seeking to declare that the defendant has no right and authority or entitled to carry out any construction in the garden which is lying at the east corner of Godrej Sky Garden complex on Final Plot No. 437, Panvel. Further the plaintiffs have sought a temporary injunction restraining the defendant from carrying out any construction work with regard to the above building during the pendency of the hearing and till the final disposal of the suit. The written statement on behalf of the defendant opposing the suit was filed on March 26, 2002. By an Order dated September 24, 2002 the Panvel Court dismissed the application for temporary injunction under Order 39 Rule 1 and 2 of the Code of Civil Procedure by the Court of Civil Judge, Senior Division at Panvel. The matter is pending.
6. The Federation of Eden Woods Co-operative Housing Society Limited, Thane has filed a civil suit No. 34 of 2004 in 2004 before the Court of the Joint Judge (Junior Division), Thane against the Company and others for enforcement of statutory liabilities under the Maharashtra Ownership of Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1963 for specific performance of contracts and accounts as well as injunction. Consent terms have been filed before the Court on April 30, 2005 and the same is valid and binding on both the parties. The main obligations of

- the Company under the consent terms are to utilize the F.S.I to the extent of 1,35,000 square feet within a period of three years from the date of the filing/approval of the consent terms; complete construction of the buildings as per the approved plan V.P No. 10662/TMC/TDD/1021 dated June 15, 2004 within a period of three years from the date of the filing/approval of consent terms; utilize the additional FSI of 24,006.09 square feet, if sanctioned, subject to obtaining the sanction for the same within three years as well as the completion of the construction within the three years, with the option of an additional 18 months on the expiry of the three years; execute conveyance deed of the suit property together with all buildings constructed within a period of 4 months from the expiry of three years from the filing/approval of the consent terms and open a fixed deposit account with Union Bank of India for a sum of Rs. 2.76 million for depositing the corpus fund collected by the Company. The Court has passed a final order granting the consent terms. The Company has made an application to obtain the certified copy of the final order and the same is pending.
7. Padmanabha Subbayya Shetty and Mohini Padmanabha Shetty, being the Plaintiffs, have filed a Suit in the High Court of Mumbai (Suit No. 3308/2002) for a claim of Rs. 0.24 million against the Company. The Plaintiffs had made an application for allotment of flat no. C-42 in the Company's project viz. Godrej Grenville Park, Ghatkopar, Mumbai for a total consideration of Rs. 2.34 million by application form dated February 28, 2000 and paid a sum of Rs. 0.2 million as earnest money. Thereafter, the Plaintiffs requested the Company to change their flat from C-42 to C-62. The request was accepted and booking amount was transferred to the new flat. The Plaintiffs were thereafter called upon by the Company to pay the balance amount. The Plaintiffs did not pay the balance amount and filed this instant suit for a refund of the amount of Rs. 0.2 million alongwith 24% interest per annum. The Company has filed its written statement on October 3, 2003 and the matter has not been listed for final hearing.
 8. Mr. Nilkanth Bhagat and Mr. Ravindra Bhagat filed a consumer complaint (Complaint No. 111/2000) dated March 31, 2001 against our Company before the State Consumer Disputes Redressal Forum. The Complaint was filed on the ground of deficiency in service within meaning of Section 2(1)(o) of the Consumer Protection Act, 1986 in relation to Project Godrej Plaza, Panvel developed by our Company. The Complainant has claimed an amount of Rs. 0.14 million alongwith interest at 18% per annum as well as compensation for mental distress and agony caused to the Complainant. The District Commission ordered our Company to provide refund and interest @ 12% pa from October 2, 1997 till the payment is realized as well as Rs. 0.05 million as cost of proceedings within 2 months. An appeal against an order by the above District Commission has been filed before the Consumer Disputes Redressal Commission, Maharashtra by our Company which was admitted on November 19, 2001. The matter is pending.
 9. Mrs. Kamlesh Ashok Arora filed a consumer complaint (Complaint No. 126 of 2003) dated May 30, 2003 before the District Consumer Commission, Mumbai on grounds of deficiency of service and delayed possession in Company's Project Godrej Hill at Kalyan, seeking refund of Rs. 0.55 million along with interest of Rs. 0.93 million at 24% per annum. Our Company has submitted in its written statement which was filed on June 30, 2006, that the Complainant failed to pay the balance instalments pursuant to the purchase of the flat and informed our Company that she was no longer interested in the purchase and sought a refund of the amount already paid. Our Company further alleged that if the Complainant purports to cancel or terminate the contract, she would be committing breach of the contract and our Company would be entitled to forfeit the amount already paid. The matter came up for hearing last in March 2005 and is currently pending before the District Consumer Commission, Mumbai.
 10. Mr. Kaustubh Gokhale, in his individual capacity, filed a public interest litigation before the High Court, Mumbai on the ground of illegal and unauthorised constructions in the limits of Kalyan Dombivli Municipal Corporation. The High Court appointed a five member committee headed by Judge Mr. Aguiar (Retd) to look into the matter and accordingly submit its report to the High Court. The Committee issued a notice to the Company on November 28, 2007 requesting clarifications on whether the "Topaz" building of Cluster B at Godrej Hill, Kalyan, was constructed on the development plan reservation plot. The Company has contended that the reservation was not finalised by the

Government and was only for the purpose of broad zoning and land usage. The old development plan i.e., Kalyan Complex Notified Area-Plan prepared by MMRDA, was applicable for our layout before publishing the subsequent new development plan on December 5, 1996. The public reservation shown in the new development plan is not relevant to “Topaz” building as it was constructed prior to the publication of the new development plan. In this regard, intimation of disapproval was granted on December 18, 1991, the commencement certificate was granted on May 20, 1994 and the occupation certificate was obtained on November 15, 1996, which is before the publication of the new development plan. The hearing before the Committee is complete and the report of the Committee is pending.

11. Motor accident claims have been filed against the Company and New India Assurance Company Limited, as their insurers, under Section 140 of the Motor Vehicle Act 1988 (“MV Act”) for the grant of compensation under the principle no fault liability as well as Section 166 of the MV Act for the grant of just, fair and reasonable compensation, for injuries sustained by the applicants (Master Raj Uddhav Kadam and others, Neelam Jalindher Dapthare and others, Ashwini Dattayar Surse and others) allegedly by Company owned vehicles. Claims have been filed before the Motor Accident Claims Tribunal at Thane, Greater Mumbai and Kalyan respectively in the three individual complaints. The claims are pending. The Company has filed its appearance in the matter and further dates of hearing have been fixed in the matters before the various courts. The total compensation sought for in all the claims is approximately 3.7 million, at the minimum, along with interest of 12% per annum from date of accident till realization and penalty.
12. Rohidas Mahadeo Rathod filed an application (WCA No. 210/C69/2007) under the Workmen’s Compensation Act for grant of compensation before the Court of Commissioner for Workmen’s Compensation at Bandra, Mumbai on March 16, 2007 against the Company and its insurers, New India Assurance Company Limited. The applicant was the driver of the vehicle allegedly owned by the Company which met with an accident and the applicant sustained serious injuries. The applicant claims that the injuries were sustained in the course of his employment and arising out of the employment with the Company. The total compensation sought for is Rs. 0.49 million alongwith interest of 12% per annum from the date of the accident till realization and penalty. The cost of the application is also sought. The Company has filed its appearance in the matter and has stated that the vehicle was not registered in the name of the Company, at the time of the accident. The matter is pending.

Criminal Proceedings

1. Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. The matter in the criminal complaint filed before the metropolitan magistrate relates to the development agreement dated December 30, 1997. In the complaint Grentex has alleged offences relating to misappropriation of funds and falsification of accounts by our Company. The magistrate referred the dispute for investigation under the section 202 of the Criminal Procedure Code, 1908 and based on the report issued process against our Company by its order dated February 1, 2006. Thus, our Company has filed the writ petition for setting aside the criminal complaint as well as the orders passed by the magistrate and the sessions judge. Our Company has also filed a criminal application (No. 2133 of 2006) for quashing the criminal case pending before the metropolitan magistrate and the order of the magistrate issuing process. Both the matters are disposed off by an order dated September 13, 2007 of the High Court of Mumbai, Criminal Appellate Jurisdiction wherein the respondent i.e. Grentex Wools Private Limited has submitted that in view of the arbitration proceedings pending, the respondent will not proceed with the criminal case bearing number 41/SW/2006 pending in the M.M Court at Vikhroli, which is filed by them.
2. Zinnia Cooperative Housing Society filed a complaint (Complaint No. 94 of 2003) before the Magistrate under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code, against the Company and the Managing Director of the Company.

Our Company developed a complex known as “Godrej Hill” at Kalyan. Various persons purchased flats in the complex and accordingly became flat owners in the Complainant Society. The complainant alleged that according to the agreements entered into between our Company and the flat owners it was agreed that our Company shall provide certain amenities like water distribution system, sewage disposal system, bus service between the society complex and Kalyan station etc, to the flat owners. However, our Company received legal notices on October 25, 2005 in relation to discontinuance of the bus service between the Society complex and the Kalyan Station. The same has been replied to with adequate denials by our Company on November 10, 2005. The contention of the Company is that the bus service was discontinued by the service provider M/s. Trevor Britto due to non-payment of bus charges by the societies in the complex. The responsibility of payment of bus charges does not rest with the Company. The matter is pending in the Criminal Court at Kalyan.

Income Tax Proceedings

1. Our Company has filed an appeal under Section 264A(1)(a) of the Income Tax Act, 1961 before the Commissioner of Income Tax (Appeals) – X, Mumbai on January 22, 2008 against the assessment order dated December 20, 2007 relating to the assessment year 2005-2006. The appeal has been filed on the grounds of disallowance of a part of the project cost of the Company and income from house property. The total amount claimed is approximately Rs. 2.7 million. The matter is currently pending.
2. Our Company has filed an appeal under Section 246A(1)(a) of the Income Tax Act, 1961 before the Commissioner of Income Tax (Appeals) – X, Mumbai on March 28, 2008 challenging the intimation under section 143(1) of the Income Tax Act, 1961 dated January 31, 2008 relating to the assessment year 2006-2007 raising a demand of Rs. 76.9 million. The appeal has been filed by the Company, inter alia, on the grounds that the assessing officer has not granted credit for dividend distribution tax, tax deducted at source, advance tax, self assessment tax to the Company and has erred in levying interest under section 243A, 234B and 234 C of the Income Tax Act, 1961. The said matter is currently pending. Our Company has also filed an application for rectification under section 154 of the Income Tax Act, 1961 on March 28, 2008 on same grounds as mentioned above.

Notices received by the Company

1. Show cause notice dated November 19, 2007 has been issued against the Company and its Managing Director, Mr. Milind S. Korde, under the Minimum Wages Act, 1948 by the Office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor’s compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the Office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company’s compliance.
2. Show cause notice dated November 19, 2007 has been issued against the Company and its Managing Director, Mr. Milind S. Korde, under the Contract Labour Act, 1970 by the Office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor’s compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the Office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company’s compliance.
3. Notice No. ACL/DyCL/Desk-22 of 2008 has been issued by the Office of the Deputy Commissioner of Labour to Mr. Milind S. Korde, managing director of our Company on January 31, 2008 in respect of

- Simplex Mills compound, Byculla for non-implementation of labour laws and its provisions as required under the Contract Labour Act, 1970, Minimum Wages Act, 1948, Payment of Wages Act and The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. It is the contention of the Assistant Commissioner of Labour that, during his visit to the site, irregularities in the maintenance of relevant records of the contract labourers engaged through several contractors, was found. The notice requires detailed records, registers and other information with regard to the contractors to be made available to the Office of the Commissioner of Labour. The Company has responded to the above notice through their letter No. Pers/SR/195 dated February 8, 2008 stating that it's role in the Project is as a developer, that the Company does not directly employ or engage workmen and that the statutory records have been maintained by the respective contractors, which will be made available to the Office during their subsequent inspection at the work site.
4. Show cause notice dated November 19, 2007 has been issued against the Company and its managing director, Mr. Milind S. Korde, under the Inter State Migrant Workmen Act, 1979 by the Office of the Deputy Commissioner of Labour, Thane in relation to the Godrej Edenwoods Project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 4, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the Office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance.
 5. Show cause notice dated November 19, 2007 has been issued against the Company, under the Payment of Bonus Act, 1965 by the Office of the Deputy Commissioner of Labour, Thane for the Company's project at Thane. The show cause notice is pursuant to certain inspection remarks issued by the Deputy Commissioner on October 25, 2007 with regard to certain alleged contractor's compliance irregularities and rectification advice. The Company has responded to the show cause notice on December 17, 2007 stating that the Company had replied to the inspection remarks through their letter Ref. No. Pers/SR/148 dated October 12, 2007 in respect of compliance, which has been acknowledged by the Office of the Deputy Commissioner of Labour. The Company has requested for an opportunity for production of records and documents before the Office, in support of the Company's compliance.
 6. Notice under Section 143(2) of the Income Tax Act, 1961 dated November 20, 2007 issued by the Office of the ADL/JCIT Range 10(2), Mumbai seeking clarifications with regard to the return of income submitted by the Company on November 24, 2006 for the assessment year 2006-2007. The hearing before the Deputy Commissioner of Income Tax is pending.

Litigation by the Company

Civil Proceedings

1. Vijay Gupte filed a complaint before the Consumer Disputes Redressal Commission, Maharashtra (Complaint No. 57/2001) on February 20, 2001, against our Company on the grounds of deficiency in service and sought cancellation of booking and refund of the amount paid in respect of the same. An order dated September 19, 2006 was passed against our Company directing our Company to repay an amount of Rs. 0.68 million with interest at 9 per cent from the respective dates of payment from time to time, an exemplary compensation of Rs. 0.04 million for not refunding the amount and Rs. 0.01 million as costs. Against the said order dated September 19, 2006, our Company filed an appeal (Appeal No. 674/2006) before the Consumer Disputes Redressal Commission, New Delhi on October 10, 2006. The said first appeal was dismissed by order dated November 14, 2006, upholding the order of the State Commission. Thereafter our Company filed a Special Leave Petition (Civil) (SLP No. 21008/2006) before the Supreme Court on December 11, 2006. The said Special Leave Petition was

admitted on January 1, 2007 granting an interim stay on the National and State Commission orders. The petition is currently pending before the Supreme Court.

2. A Revision Petition No. 38/2005 under Section 154 of the Maharashtra Co-operative Housing Societies Act, 1960 has been filed by our Company against Grentex Wools Private Limited and Greenville Park Cooperative Housing Society (“Housing Society”) before the State Minister for Co-operation, Maharashtra State, Mumbai on December 29, 2004 for quashing the impugned order of the Divisional Joint Registrar, Navi Mumbai November 24, 2004. The brief background of the case is that our Company entered into an Agreement dated December 30, 1997 with Grentex Wools Private Limited (“Grentex”) as project managers for the development of land owned by Grentex. Whilst, there was some delay in the completion of construction of one wing due to no fault of the Company, the Company formed the Housing Society subsequent to the sale of 60% of the total flats of Greenville Park. Grentex filed an appeal No. 77/2003 before the Divisional Joint Registrar Cooperative Societies challenging the registration of the Housing Society, which was effected as per the order of the Deputy Registrar of Cooperative Societies dated February 21, 2003. The Joint Registrar by its order dated November 24, 2004 quashed and set aside the Registration Certificate dated February 21, 2003 of the Housing Society. Our Company filed the present revision petition challenging this order of the Joint Registrar. The said matter was heard on February 5, 2008 and the order is awaited.
3. Our Company has referred to arbitration a dispute with Grentex Wools Private Limited (“Grentex”) arising out of a development agreement entered into with Grentex with respect to property situated at Village Kirol, LBS Marg, Ghatkopar, Mumbai. The parties had entered into the development agreement dated December 30, 1997 wherein our Company, in its capacity as the project manager, was required to extend co-operation and provide services, finance and expertise in relation to the project to be developed. During the execution of the project certain dispute arose between the parties in relation to the sharing and division of the revenue received for the sale of the flats in the project. The matter is currently pending before the arbitral tribunal. The cross-examination of our Company’s witness is continuing and the next date of hearing is to be fixed for further cross examinations. The total amount claimed in the matter is Rs. 42.97 million.
4. Our Company along with Sitaldas Estate Private Limited had in the year 2000 filed eviction cases before the Small Causes Court, Main Branch, Mumbai, against the tenants of Sital Baug, Walkeshwar, Mumbai. The property was proposed to be redeveloped by our Company. Eviction cases against 34 tenants were filed, out of which 24 have been settled by filing consent terms in court. 10 eviction cases are currently pending. All the pending matters are in one common court.
5. Simplex Realty Limited has filed a case against Bombay Municipal Corporation in the Small Causes Court, Mumbai on April 7, 2006, challenging the ratable value for “Land being built upon and Open Land” fixed by the corporation and has filed an appeal in the Small Causes Court for getting the old ratable value of Rs. 2.24 million restored.. The Company is an interested party in the matter as it is the developer of the said land belonging to Simplex Realty Limited. The matter is pending.
6. Kailash Premnarayan and Others filed an Appeal, through the Company, bearing Stamp No.1734/2001 against Bombay Municipal Corporation in the Small Causes Court, Mumbai on August 23, 2001, for fixing the ratable value for the property situated at Godrej Indraprasta, H/W. Ward No.3081- 5A, Khar (West). The appeal has been filed through the Company as the said property has been developed by the Company and the appellants had executed a power of attorney in favour of the Company with regard to future litigation claims. The matter is pending and no further date is fixed in the matter.
7. Our Company filed a case (Case No. 200/2000) before the Labour Court, Thane against the Akhil Maharashtra Kamgar Union, against its four ex-site employees viz. Mr. Prasad Shrikhande, Mr. Kiran Wale, Mr. Anil D’Cunha and Mr. Vishram Kudalkar. The four ex-site employees were transferred to the Hyderabad project site in January 1999. The employees did not report for work and in consequence thereof their services were terminated and compensation in lieu of one months notice was paid to them. The transfer order is not challenged but claim is that they are “workmen” under the Industrial Disputes

Act, 1947 and thus are entitled to compensation such as back wages, performance linked variable remuneration, bonus from date of termination of services till date. The matter is pending.

8. Our Company has filed an appeal No. 55 of 1997 against the State of Maharashtra, Deputy Inspector General of Registration and Deputy Controller of Stamps and Chief Controlling Revenue Authority, Maharashtra before the Chief Controlling Revenue Authority at Pune. The matter relates to payment of deficient stamp duty by the Company. The background of the case is that our Company by an Agreement dated November 28, 1995 Housing Development Finance Corporation Limited (“HDFC”), the shareholder of Tahir Properties Private Limited (“TPPL”), agreed to sell to our Company 70,000 convertible preference- Class B shares for an aggregate consideration of Rs. 127,550,000. Under the said Agreement, our Company had agreed to pay stamp duty, legal expenses and all other costs, charges and expenses in relation to the said Agreement. Our Company filed Form 37-I as required to be filed under chapter XXC of the Income Tax Act, 1961. The share capital of TPPL consists of several classes of shares. It was mentioned in the Form 37-I that on conversion of 70,000 partly paid convertible preference-Class B shares of TPPL to convertible preference-Class C shares, the holders will get rights as set out in the Articles of Association of TPPL in respect of Flat No.1 in the building proposed to be constructed on their immovable property located at the proposed structure of TPPL situated at Plot No.1, Maulana Abdul Gaffar Khan Road, Worli, Mumbai. The Deputy Inspector General of Registration and Deputy Controller of Stamps by their Order dated July 23, 1997 and August 26, 1997 required our Company to pay a sum of Rs. 148.50 million and a fine at the rate of 2% per month from the date of the said Agreement till the payment of stamp duty. The shares have not been converted till date of filing of the appeal. The contention of the Company is that the Agreement entered into is only for the purchase of shares of TPPL and not for the purchase of any immovable property. The matter is now pending before the Chief Controlling Revenue Authority, Pune. The total amount demanded as deficient stamp duty amounts to Rs. 148.50 million with a fine of 2% per month from the date of the Agreement till the payment of stamp duty.

Criminal Proceedings

Our Company has filed criminal petition No. 4520/2007 under Section.482 of the Criminal Procedure Code 1973 before the High Court of Karnataka at Bangalore, against Mr. G. Parameshwarappa and others for quashing the proceedings and investigation in FIR No. 270/07 of Hebbal Police Station, Bangalore under Section 447 of the Indian Penal Code, 1860 and Section 192-A of Karnataka Land Revenue Act, 1964 against our Company as developers. The legality of our Company’s inclusion in the investigation and proceedings has been questioned in the Petition and the matter is pending.

Litigations involving lands forming part of Completed, Ongoing and Forthcoming in which neither the Company nor the Directors are parties

1. Mr. Jehangir Wadia and others filed a Civil Suit (Suit No. 19/2006) against Lokmanya Pan Bazar Association Limited and Jagshi Chedda (Silver Developers) before the High Court, Mumbai. Mr. Jehangir Wadia and others are the present trustees of the Wadia Trust. The subject matter of the dispute relates to declaration of the trust as the owners of CTS No. 638, cancellation and surrender of Deed of Rectification, restoration of the title of CTS No. 638, compensation for wrongfully surrendering property not belonging to Lokmanya Association and others (Defendants) for obtaining extra FSI. The total amount of claim in the matter is Rs. 33.05 million, which reflects the market value of the trust land and Rs.0.33 million as mesne profits/compensation. The Company is an interested party to the case being the developer of the property which is the subject matter of the said suit petition.
2. Ms. Shaila Yashwant Wadekar and others have filed a Petition (Writ Petition No.1063 of 2005) against the owner Mr. Deepak Tekchand Varma before the Hon’ble Bombay High Court, Appellate Jurisdiction. The claim is with regard to the right, title and interest in the suit property at Thane where the Company has as a developer built its Edenwoods Complex. The Company is an interested party to the case being the developer of the property which is the subject matter of the said suit petition. The

said Petition was admitted on April 16, 2007 and thereafter the matter has not come up for final hearing.

Dues owed by the Company to Micro, Small And Medium Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts and this section.

Notices received by the Subsidiaries of the Company

Godrej Realty Private Limited

A public notice was published in the Times of India dated June 26, 2006 by the High Energy Materials Research Laboratory (“HEMRL”), situated at Sutarwadi, Pune informing the public regarding restrictions on the use and enjoyment of land lying in the vicinity of HEMRL. The area measuring about 810 acres is declared as notified area vide Gazette of India Notification dated April 27, 2002 under Section 3 of the Works of Defence Act, 1903. The notice further stated that no civil construction activities are allowed within the proximity of 457.2 metres from the security wall of HEMRL and that all such construction shall be viewed as unauthorised. A major portion of the property at Bavdhan, Pune, which the Company had undertaken for development activity, is falling under the restricted area. The Company has voluntarily at present has suspended development activity at this site.

Litigation against Directors

Mr. Adi B. Godrej

1. The Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details please refer to “Litigation against the Company – Criminal Proceedings – S. No. 1 – Grentex criminal proceedings”.
2. Mr. Ghanshyamdas Gupta of Alpa Cares, a Franchisee has filed a private complaint under Section 138 read with Section 141 of Negotiable Instruments Act (C.C. No. 1828/SS/2006) before the Metropolitan Magistrate 43rd Court Borivali, Mumbai against Godrej HiCare Limited, Mr. Adi B. Godrej, Mr. A. Mahendran, Mr. Vikas Hajela and Mr. Samira Kundu. The facts of the case are that Godrej HiCare Limited had inadvertently issued a cheque of Rs. 0.35 million but when found out that a sum of Rs. 0.97 million is due and payable to Godrej HiCare Limited by Mr. Gupta, Godrej HiCare Limited advised their bankers to stop payment to Mr. Gupta which was intimated to Mr. Gupta, however, the cheque was presented for clearance by Mr. Gupta which was not honoured by the bank as per Godrej HiCare Limited’s instruction. Therefore, Mr. Gupta filed the abovementioned complaint. Based on the complaint filed by Mr. Gupta the Magistrate issued process against all the accused. Mr. Adi B. Godrej and Mr. A. Mahendran filed a Criminal Revision Application (No. 209/2007) before the Sessions Court, Bombay to quash the order of the Magistrate. The Sessions Court rejected their plea. Therefore, they filed a criminal application (No. 1793/2007) before the Hon’ble Bombay High Court against the order of the Sessions Court. The Hon’ble High Court stayed the proceedings pending before the Magistrate against Mr. A.B. Godrej Mr. A. Mahendran without prejudice to proceed against the other accused.
3. A distributor of Godrej Consumer Products Limited (“GCPL”) filed a criminal complaint against Mr. Adi B. Godrej and Mr. Y. Chadha, the field executive, under sections 406 and 420 of the Indian Penal Code, 1860, before the Chief Judicial Magistrate at Etawah, for non-payment of dues. GCPL filed a

petition under the Allahabad High Court under Section 482 Criminal Procedure Code *inter alia* praying for a stay of the proceedings before the Chief Judicial Magistrate. The High Court stayed the proceedings by an order dated April 4, 2003 and the matter is pending for final disposal before the Allahabad High Court.

4. Mr. Vipin Dwivedi an ex-employee of Godrej Consumer Products Limited (“GCPL”) who resigned from the services of the Company following allegations of criminal breach of trust and a member of GCPL's exempted provident fund, filed a consumer complaint *inter alia* against the Godrej Industries Employees Credit Society Limited, Mr. Adi B. Godrej, Mr. Nadir B. Godrej and GCPL alleging that Society has not cleared the money lying in his Society Account. Mr. Adi B. Godrej has filed his reply to the same before the district consumer disputes redressal forum, Mumbai and the matter is pending for arguments and final disposal.
5. The Enforcement Directorate, Mumbai has filed three writ petitions before the Hon’ble Bombay High Court, being writ petition nos. 2780 of 2004, 2781 of 2004 and 2782 of 2004 against Godrej Soaps Limited, Mr. Nadir B. Godrej and Mr. Adi B. Godrej alleging violation of Foreign Exchange Regulation Act, 1973 for failure to receive foreign exchange in relation to the imports carried out in 1977-78. The three writ petitions mentioned above were disposed off by the Hon’ble High Court on September 13, 2006 who remanded the matter to the Special Director (Appeals) to hear the case on merits in accordance with law. The matter is now pending with the Special Director (Appeals).

Mr. Jamshyd N. Godrej

Two special leave petitions (No. 9684-9687 of 2007 and No. 21536 of 2007) have been filed by Chatterjee Petrochem (India) Private Limited and Chatterjee Petrochem (Mauritius) Company and Others, against Haldia Petrochemicals Ltd., which are pending for adjudication before the Hon’ble Supreme Court. As a director of Haldia Petrochemicals Ltd. Mr. Jamshyd N. Godrej is a respondent in these special leave petitions.

Mr. Nadir B. Godrej

1. A criminal complaint under Section 212 (9) of the Companies Act was filed before the Additional Chief Judicial Magistrate at Esplanade, Mumbai against Mr Nadir B. Godrej and Mr. S. K. Bhatt by the Assistant RoC, Maharashtra for the alleged violation of Section 212 of Companies Act. The same was challenged under Section 482 of the Criminal Procedure Code before the Hon’ble Bombay High Court and the matter is to come up for hearing after being listed for hearing.
2. Mr. Vipin Dwivedi an ex-employee of GCPL who resigned from the services of the company following criminal breach of trust and a member of GCPL’s exempted provident fund, filed a consumer complaint *inter alia* against the Godrej Industries Employees Credit Society Limited (the “Society”), Mr. Nadir B. Godrej, Mr. Adi B. Godrej and GCPL alleging that the Society has not cleared the money lying in his Society account. Mr. Nadir B. Godrej has filed his reply to the same before the district consumer disputes redressal forum, Mumbai and the matter is pending for arguments and final disposal.
3. The Enforcement Directorate, Mumbai has filed three writ petitions before the Hon’ble Bombay High Court, being writ petition nos. 2780 of 2004, 2781 of 2004 and 2782 of 2004 against Godrej Soaps Limited, Mr. Nadir B. Godrej and Mr. Adi B. Godrej alleging violation of Foreign Exchange Regulation Act, 1973 for failure to receive foreign exchange in relation to the imports carried out in 1977-78. The three writ petitions mentioned above were disposed off by the Hon’ble High Court on September 13, 2006 who remanded the matter to the Special Director (Appeals) to hear the case on merits in accordance with law. The matter is now pending with the Special Director (Appeals).

Ms. Parmeshwar A. Godrej

Nil

Mr. Milind S. Korde

1. The Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details Please refer to “Litigation against the Company – Criminal Proceedings – S. No. 1 – Grentex criminal proceedings”.
2. Zinnia Cooperative Housing Society filed a complaint (Complaint No. 94 of 2003) before the Magistrate under sections 11, 13 and 14 of the Maharashtra Ownership of Flats, 1963 and sections 269 and 270 of the Indian Penal Code, against the Company and the Managing Director of the Company. For further details Please refer to “Litigation against the Company – Criminal Proceedings – S. No. 2 – Grentex criminal proceedings”.

Mr. Amit B. Choudhury

Our Company, along with its directors, Mr. Adi B. Godrej, Mr. Amit B. Choudhury and Mr. Milind S. Korde and other employees, filed a criminal writ petition (WP No. 1360 of 2006) challenging the order passed by the sessions judge dated May 5, 2006 in Criminal Revision Application No. 386 of 2006 whereby the judge refused to quash the proceedings initiated by Grentex in Criminal Case No. 388/M/2004 filed before the Metropolitan Magistrate. For further details please refer to “Litigation against the Company – Criminal Proceedings – S. No. 1 – Grentex criminal proceedings”.

Mr. Keki B. Dadiseth

SEBI filed a case against Hindustan Lever Limited (HLL) and five of its directors, including Mr. Dadiseth, before the 39th Court, Esplanade, Mumbai on November 23, 1998 for the alleged contravention of the SEBI (Prohibition of Insider Trading) Regulation, 1992. There were allegations of insider trading against HLL in connection with acquisition of eight lakhs shares of Brooke Bond Lipton India Limited (BBLIL) by private negotiation with UTI, a few months before the merger of BBLIL with HLL was announced in 1996. SEBI by its order dated March 11, 1998 held the company and the five directors including Mr. Dadiseth guilty. An appeal was filed on April 6, 1998 before the Appellate Authority, which by its order dated July 14, 1998, set aside the order of SEBI. Thereafter, SEBI has filed a writ petition against the order of the Appellate Authority on September 19, 1998 before the Hon’ble Bombay High Court, challenging the order of the Appellate Authority. The petition is currently pending. Furthermore, SEBI has also filed a prosecution case against HLL and its directors which case is also pending.

Mrs. Lalita D. Gupte

Mr. Surendra Dutta has filed a criminal complaint (FIR I III dated April 9, 2001) against Mrs. Lalita D. Gupte and others, before Rajpura City Police Station, Chandigarh for alleged offence of car booking by forging his signature during 1995 by certain officers of erstwhile Anagram Finance Ltd (AFL). ICICI Bank (the Bank) has made submissions to DIG, Patiala that the directors of the Bank cannot be proceeded against for an alleged offence committed by AFL in 1995 as AFL was taken over by erstwhile ICICI Ltd in 1998. The DIG Patiala having been convinced has directed investigating officer of Rajpura Police Station not to proceed in the matter without explaining entire details to him. The matter is pending before the Investigating Officer for the purpose of investigation but is not being proceeded with as the files relating to the same are not traceable

Mr. Pranay Vakil

Nil

Dr. Pritam Singh

Nil

Litigation involving Promoters

Godrej & Boyce Manufacturing Company Limited

Litigation against the company

1. There are 417 consumer cases filed by various parties against Godrej & Boyce Manufacturing Company before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 11.75 million.
2. There are 341 labour related claims pending against Godrej & Boyce Manufacturing Company, filed by the labour employed by the company, before various courts and tribunals. The total amount that is the subject matter of these cases is, however, not quantifiable.
3. There are 37 excise duty cases filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 355.91 million.
4. There are 150 sales tax cases pending against Godrej & Boyce Manufacturing Company Limited before various sales tax authorities. The total amount that is demanded in these cases aggregates approximately to Rs. 252.40 million.
5. There are 21 civil cases filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 27.10 million.
6. There are 18 property related cases filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases is not quantifiable.
7. There are 2 cases relating to intellectual property rights filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases is not quantifiable.
8. There are 10 miscellaneous cases filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases is approximately to Rs. 5.70 million.
9. There are 4 criminal cases filed by various parties against Godrej & Boyce Manufacturing Company before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.2 million.
10. In respect of the company's completed direct tax assessments, the matters are pending at various appellate fora.

Litigation by the company

1. There are 37 civil cases filed by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 74.65 million.
2. There are 20 criminal cases filed by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 20.5 million.

3. There are 145 cases filed under the section 138 of Negotiable Instrument Act, 1881 by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to 107.68 million.
4. There are 7 consumer cases filed by Godrej & Boyce Manufacturing Company against various parties before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to 0.4 million.
5. There are 118 property related cases filed by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.1 million.
6. There are 3 cases relating to intellectual property rights filed by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.15 million.
7. There are 13 miscellaneous case filed by Godrej & Boyce Manufacturing Company against various parties before various fora. The total amount that is the subject matter of this case aggregates approximately to Rs. 2.6 million.
8. There are several direct tax assessment matter filed by Godrej & Boyce Manufacturing Company before various appellate fora.

Contingent Liabilities: Rs. 5,923.98 million

Godrej Industries Limited

1. There are 126 central excise cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 169.22 million.
2. There are 38 customs cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 82.13 million.
3. There are 63 miscellaneous cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs.75.25 million.
4. There are 10 criminal cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 4.63 million.
5. There are 8 service tax cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 1.42 million.
6. There are 7 industrial relations cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 4.20 million.
7. There are 5 consumer cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 0.01 million.
8. There are 14 income tax cases pending against Godrej Industries Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 524.50 million.

Contingent Liabilities: Rs. 1,177.49 million

Litigation involving Promoter Group

Cauvery Palm Oil Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Ensemble Holdings and Finance Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Nil

Geometric Limited

Litigation against the company

1. There are 10 cases pending against Geometric Limited before the Assistant Commissioner of Customs and the total amount claimed is approximately Rs. 21.04 million.
2. There are 2 civil cases filed against Geometric Limited before various fora for claims totalling approximately Rs. 1200 million.
3. There are 2 Income Tax cases filed against Geometric Limited before the Commissioner of Income Tax (Appeals) for claims totalling to approximately Rs. 1.14 million.

Litigation by the company

1. Geometric Limited has filed 2 consumer cases against United India Insurance Company Limited before the District Consumer Redressal Forum and the total amount claimed is approximately Rs. 0.87 million.
2. Geometric Limited has filed a criminal complaint against Mr. Shekhar Verma before the Metropolitan Magistrate, New Delhi for theft of software source code.

Contingent Liabilities: Rs. 642.97 million

Godrej (Malaysia) Sdn. Bhd.

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej (Singapore) Pte Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Agrovat Limited

Litigation against the company

1. There are 28 consumer cases filed by various parties against Godrej Agrovat Limited before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 15.09 million.
2. There are 2 suits against the occupier of the factory filed by the Factory Inspector at Miraj before court of the Judicial Magistrate First Class.
3. There are 2 excise cases pending against Godrej Agrovat Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 25 million.
4. There are 2 sales tax cases pending against Godrej Agrovat Limited before various sales tax authorities. The total amount that is demanded in these cases aggregates approximately to Rs. 50 million.
5. There are 6 Income tax cases pending against Godrej Agrovat Limited at various levels. The total amount that is demanded in these cases aggregates approximately to Rs. 21.34 million.
6. There are 7 civil cases filed by various parties against Godrej Agrovat Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 3.56 million.

Litigation by the company

1. There are 85 cases filed by Godrej Agrovat Limited against various parties before various fora under the Negotiable Instruments Act, 1881. The total amount that is the subject matter of these cases aggregates approximately to Rs. 35.41 million.
2. There are 10 civil cases filed by Godrej Agrovat Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs 47.58 million.
3. There are 4 Consumer cases filed by Godrej Agrovat Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. .64

million.

4. There is one property related case filed by Godrej Agrovet Limited. The total amount that is the subject matter of the case is nil.

Contingent Liabilities: Rs. 833.71 million

Godrej Consumer Product Limited

Litigation against the Company

1. There are 2 criminal cases pending against the employees of Godrej Consumer Products Limited before various authorities. There are no financial implications involved in this case.
2. There are 5 labour cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 1.46 million.
3. There are 10 show cause notices relating to excise tax pending against Godrej Consumer Products Limited. The total amount that is the subject matter of these cases aggregates to Rs. 156.97 million.
4. There are 12 cases relating to sales tax pending against Godrej Consumer Products Limited. The total amount that is the subject matter of these cases aggregates to Rs. 67.06 million.
5. There are 3 cases relating to intellectual property pending against Godrej Consumer Products Limited.
6. There are 5 consumer cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 1.22 million.
7. There are 6 miscellaneous cases pending against Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 2.61million.

Litigation by the Company

1. There are 2 excise cases filed by Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 30.24 million
2. There is 1 income tax case filed by Godrej Consumer Products Limited before Commissioner of Income Tax (Appeals). There is no financial implication involved in the case.
3. There are 3 civil cases filed by Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 10.36 million.
4. There are 6 negotiable instrument cases filed by Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 12.6 million.
5. There is 1 complaint filed by Godrej Consumer Products Limited before the Monopolies and Restrictive Trade Practices Commission. There is no financial implication involved in the case.
6. There is 1 case relating to intellectual property filed by Godrej Consumer Products Limited before the High Court, Mumbai. There is no financial implication involved in the case.
7. There are 2 miscellaneous cases filed by Godrej Consumer Products Limited before various authorities. The total amount that is the subject matter of these cases aggregates to Rs. 9.40 million.

8. There are 6 cases filed by Godrej Consumer Products Limited under section 138 of the Negotiable Instruments Act and under section 420 of the Indian Penal Code against various parties before fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 12.60 million.

Contingent Liabilities: Rs. 2,087.31 million

Wadala Commodities Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Efacec Automation and Robotics Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Rs. 18.72 million

Godrej Global Solutions (Cyprus) Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Global Solutions Inc.

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Global Solutions Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Hicare Limited

Litigation against the company

1. There is 1 case pending against Godrej Hicare Limited under the Negotiable Instruments Act before the Metropolitan Magistrate, Borivali, Mumbai. The total amount that is demanded in this case aggregates approximately to Rs. 0.35 million.

Litigation by the company

Nil

Contingent Liabilities: Rs. 18.32 million

Godrej Infotech Limited

Litigation against the company

There is a suit filed against Godrej Infotech Limited before the Court of District Judge, Delhi for recovery of possession, recovery of rent, mesne profits as well as permanent injunction in relation to a flat taken on lease basis by the company between August 7, 2006 and July 6, 2007.

Litigation by the company

Nil

Contingent Liabilities: Rs. 3.7 million

Godrej International Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Investments Private Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Oil Plantations Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Godrej Sara Lee Limited

Litigation against the company

1. There are 38 sales tax cases pending against Godrej Sara Lee Limited before various courts, tribunals and sales tax authorities. The total amount that is demanded in these cases aggregates approximately to Rs. 105.82 million.
2. There are 4 excise cases pending against Godrej Sara Lee Limited before various courts and tribunals. The total amount that is the subject matter in these cases aggregates approximately to Rs. 10 million.
3. There are 5 cases pending against Godrej Sara Lee Limited under the Trade and Merchandise Marks Act before various courts, tribunals and other fora.
4. There are 3 cases pending before various Consumer Dispute Redressal Forum against Godrej Sara Lee Limited. The total amount that is the subject matter in these cases aggregates approximately to Rs. 0.2 million.
5. There are 4 cases pending against Godrej Sara Lee Limited before various authorities under the Industrial Disputes Act, 1947 and the total amount involved in these cases is approximately Rs. 0.4 million.
6. There is a case filed against Godrej Sara Lee Limited under the Standards of Weights and Measures (Packaged Commodity Rules), 1977 before Additional Chief Metropolitan Magistrate at Borivali, Mumbai. The matter is currently pending.
7. There is a case pending against Godrej Sara Lee Limited before the Judicial Magistrate, Ambala under the provisions of the Negotiable Instruments Act, 1881.
8. There is a case pending against Godrej Sara Lee Limited before the Motor Accident Claim Tribunal, New Delhi under the provisions of the Motor Vehicles Act, 1988.
9. There is 1 case filed against Godrej Sara Lee Limited under the Insecticides Act, 1968.
10. There are 8 civil cases filed against Godrej Sara Lee Limited before various courts, tribunals and authorities. The total amount that is the subject matter in these cases aggregates approximately to Rs. 3.5 million.

Litigation by the company

1. Godrej Sara Lee Limited has filed an appeal before the Commissioner (Appeals) relating to a service tax demand aggregating approximately to Rs. 0.4 million.
2. There are 7 cases filed by Godrej Sara Lee Limited under Trade and Merchandise Marks Act before various Courts, Tribunals and other fora
3. Godrej Sara Lee Limited has filed an appeal before the Kerala High Court challenging the proceedings filed against it under the Standards of Weights and Measures (Packaged Commodity Rules), 1977.
4. Godrej Sara Lee Limited has filed an application against the union and the labour contractors, Karaikal under the Industrial Disputes Act, 1947.
5. Godrej Sara Lee Limited has filed 3 cases before various courts under the Insecticides Act, 1968.
6. Godrej Sara Lee Limited has filed a case under the provisions of the Monopolies and Restrictive Trade Practices Act, 1969.
7. Godrej Sara Lee Limited has filed 6 civil cases before various courts, tribunals and authorities against several authorities. The total amount that is the subject matter in these cases aggregates approximately to Rs. 32.7 million.
8. There are 3 criminal cases filed by Godrej Sara Lee Limited against various parties under the provisions of the Indian Penal Code, 1860 for the recovery of goods or offences relating to short delivery of goods.
9. Godrej Sara Lee Limited has filed 2 cases under the Negotiable Instruments Act, 1881. The total amount that is the subject matter in these cases aggregates approximately to Rs. 1 million.

Contingent Liabilities: Rs. 132.50 million

Golden Feed Products Limited

Litigation against the company

Nil

Litigation by the company

There are 7 cases filed by Golden Feed Products Limited against various parties before various fora for claims arising under the Negotiable Instruments Act, 1881. The total amount that is the subject matter of these cases aggregates approximately to Rs 3.95 million.

Contingent Liabilities: Nil

Goldmohur Foods and Feeds Limited

Litigation against the company

1. There are 2 consumer cases filed by various parties against Goldmohur Foods and Feeds Limited before various consumer fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 2.25 million.
2. There are 8 criminal cases filed by various parties against Goldmohur Foods and Feeds Limited before

various fora.

3. There are 7 civil cases filed by various parties against Goldmohur Foods and Feeds Limited before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 2.16 million.
4. There are 4 sales tax cases pending against Goldmohur Foods and Feeds Limited before various sales tax authorities. The total amount that is the subject matter of these cases aggregates approximately to Rs. 1.38 million.

Litigation by the company

1. There are 112 cases filed by Goldmohur Foods and Feeds Limited against various parties before various fora for claims arising under the Negotiable Instruments Act, 1881. The total amount that is the subject matter of these cases aggregates approximately to Rs 59.81 million.
2. There are 9 civil cases filed by Goldmohur Foods and Feeds Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 11.11 million.
3. There are 6 Consumer cases filed by Goldmohur Foods and Feeds Limited against various parties before various fora. The total amount that is the subject matter of these cases aggregates approximately to Rs. 2.72 million.
4. There are 5 Criminal cases filed by Goldmohur Foods and Feeds Limited against various parties before various fora.

Contingent Liabilities: Nil

Mercury Manufacturing Company Limited

Litigation against the company

1. There are 2 labour related cases pending against Mercury Manufacturing Company Limited filed by the labour employed by the company, before the Deputy Commissioner of Labour, Chennai.

Litigation by the company

1. Mercury Manufacturing Company Limited has filed an appeal before the Income Tax Appellate Tribunal, Chennai against tax demand on income from sale of scrap.
2. Mercury Manufacturing Company Limited has filed a writ petition before the High Court of Madras against the Commissioner, Tambaram Municipality relating to enhancement of property tax. The total amount that is subject matter of these cases aggregates approximately to Rs. 2.37 million.

Contingent Liabilities: Nil

Swadeshi Detergents Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Rs. 0.25 million

Godrej Hersheys Limited

Litigation against the company

1. There is 1 case filed against Godrej Hersheys Limited under the Trade Marks Act, 1999. This matter is pending before the Trade Mark Registry, Mumbai.
2. There is an appeal pending before the Labour Court Commissioner, Mumbai against Godrej Hersheys Limited filed by Mr. Thapa for reinstatement of his services. The amount involved is approximately Rs. 1 million.

Litigation by the company

1. Godrej Hersheys Limited has filed 20 oppositions for challenging registration of various trade marks before various Trade Mark Registries.
2. The Company has filed 2 appeals before the Commissioner of Income Tax (Appeals) for claims relating to assessment years 2004-05 and 2005-06. The total amount that is demanded in these cases aggregates approximately to Rs. NIL.
3. There are 19 sales tax appeals filed by Godrej Hersheys Limited, pending before the various Sales Tax Commissioners/Appellate Tribunal and sales tax authorities all over the Country. The total amount that is demanded in these cases aggregates approximately to Rs. 20.8 million.
4. There are 9 cases filed by Godrej Hersheys Limited under section 138 of the Negotiable Instruments Act, 1881 pending before the Small Causes Court and Metropolitan Magistrate in Mumbai. The amount involved is approximately Rs. 2.25 million.

Contingent Liabilities: Rs. 13.20 million

Godrej Foods Limited

Litigation against the company

Nil

Litigation by the company

Nil

Contingent Liabilities: Nil

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 249 of this Draft Red Herring Prospectus.

GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, no further approvals are required for carrying on our present business.

Approvals for the Issue

1. Approval from the National Stock Exchange dated [●].
2. Approval from the Bombay Stock Exchange dated [●].
3. The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Approvals to carry on our Business

A. Industrial/Labour/Tax

1. Permanent Account Number AAACG3995M
2. Tax Payers Identification Number under the Maharashtra Value Added Tax Act 2003 is 27020266493V with effect from April 1, 2006
3. Tax Payers Identification Number under Central Sales Tax (Registration and Turnover) Rules 1957 is 27020266493C with effect from April 1, 2006
4. Service Tax Code Number AAACG3995MST002 and Location Code SA0311 issued to the Company by the Office of the Commissioner of Service Tax, Government of Karnataka, Bangalore on August 17, 2007
5. Allotment of Code No. STDS 5101039 under the West Bengal Value Added Tax Act 2003, to the Company by the Office of Commissioner, Sales Tax, Government of West Bengal, Kolkata on April 23, 2007
6. Value Added Tax Registration Certificate under Karnataka Value Added Tax Act 2003 granted to the Company with effect from April 28, 2005
7. Tax Deduction Account Number MUMG08095D

B. Building/Construction related approvals/ NOCs

SEZ RELATED APPROVALS

Godrej Genesis, Hyderabad

Applications Made

1. Application has been made to the SEZ Section, Department of Commerce, Ministry of Commerce and Industry, Government of India for setting up Special Economic Zone for IT/ITES Sector at Patancheru village and Mandal Sanga Reddy Taluk, Medak District, Andhra Pradesh dated December 12, 2007.
2. Application to the Chief Secretary, Government of Andhra Pradesh dated December 5, 2007 for approval to set up a Sector Specific Economic Zone for Information Technology and IT Enabled Services at Patancheru to Godrej Real Estate Private Limited.
3. Application to the Principal Secretary, IT & C Department, Government of Andhra Pradesh dated December 5, 2007 for approval to set up a Sector Specific Economic Zone for Information Technology and IT Enabled Services at Patancheru to Godrej Real Estate Private Limited.

Godrej Greater Noida – I, Greater Noida

1. Approval No. F-1/51/2007-SEZ from the SEZ Section, Department of Commerce, Ministry of Commerce and Industry, Government of India issued on March 17, 2008 for development, operation and maintenance of the sector specific Special Economic Zone for Electronic hardware and software including IT/ITES sector at Greater Noida, Uttar Pradesh to M/s Uppal IT Project Private Limited, as developers.
2. Approval No. Udyog/2006/2549 from the Greater Noida Industrial Development Authority issued on November 16, 2006 for 50% increase in F.A.R to 1.875.

Applications Made

1. Revised Master Plan submitted to the Greater Noida Industrial Development Authority, Greater Noida for Plot No. TZ07, Tech Zone, Greater Noida, Uttar Pradesh on August 16, 2007

PROJECT-SPECIFIC APPROVALS

Described below are the approvals obtained and applied for in respect of our ongoing projects.

Godrej GVD, Kalyan

1. Building Permission from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/605-262 issued on March 17, 2005 for building permission for full work of GVD I and II, expiring on March 16, 2009.
2. Completion Certificate to Building GVD-I Type A and Type B from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/CC/KV/496 for GVD-I: Building A and B issued on November 1, 2006.
3. Order under Section 20 Urban Land Ceiling and Regulation Act 1976 from Deputy Collector and Competent Authority, Ulhasnagar Urban Agglomeration, Thane No. ULC/ULN/Sec (20)(N)/SR-149 issued on April 17, 2006 for economically weaker section of society is being implemented, expiring on April 16, 2009 for GVD I and II.
4. Permission for Non Agricultural Use from the Collector, Thane 2004 No. Mahasul/K-1/T-7/NP/SR-155/98 issued on June 25, 2004.

Godrej Riverside, Kalyan

1. Intimation of Disapproval from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/75-24 for all buildings issued on May 20, 2005 for a period of four years, expiring on May 19, 2009.

2. Commencement certificate from Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/854-359 issued on March 30, 2007 for a period of four years, expiring on March 29, 2011.
3. Permission for non agricultural use from The Collector, Thane No. Mahasul/K-1/T-7/NP/SR-84/2005 issued on June 13, 2006.
4. Amended Approval No. KDMC/NRV/BP/KV/616-304 from the Kalyan Dombivali Municipal Corporation issued on February 12, 2008 for 13th to 15th Floors.

Godrej RSM-HKB, Kalyan

1. Intimation of Disapproval from the Kalyan Dombivali Municipal Corporation No. KDMC/NRV/BP/KV/214-100 for all buildings issued on June 28, 2006 for a period of four years expiring on June 27, 2010.
2. Permission for non agricultural use from The Collector, Thane No. Mahasul/K-1/T-7/NP/SR-130/2006 for all buildings issued on September 11, 2006.
3. Commencement Certificate No. KDMC/NRV/BP/KV/44-24 from the Kalyan Dombivali Municipal Corporation issued on April 23, 2008 by using TDR of 3193 square metres.

Godrej Edenwoods Phase III, Thane

Regency Park Tower B

1. Building permission No. TMC/TDD/1021 up to plinth from Thane Municipal Corporation issued on June 15, 2004. Further approval up to 23rd floor has been obtained on April 29, 2008 through Building permission No. TMC/TDD/63 with commencement certificate dated April 29, 2008.
2. Layout approval for exchanging the location of Maternity Home and Playground through permission no. TMC/TDD/790 from Thane Municipal Corporation dated March 3, 2007.
3. Building permission No. TMC/TDD/75 above plinth from Thane Municipal Corporation issued on January 16, 2006.
4. Layout approval from the Thane Municipal Corporation subject to conditions prescribed in Permit No. VP10662 No. TMC/TDD/1021 issued on June 15, 2004.

Podium Row Apartment and Pine

1. Building permission No. TMC/TDD/63 for Podium-Row Apartment from Thane Municipal Corporation issued on April 29, 2008.
2. Building permission No. TMC/TDD/64 for Pine from Thane Municipal Corporation issued on April 29, 2008.
3. Commencement Certificate No. TMC/TDD/87/V.P.No.10662 issued on May 15, 2008 by Thane Municipal Corporation for Row Apartments.

Planet Godrej, Mumbai

1. Amended approval from Municipal Corporation of Greater Mumbai No. EEBPC/9526/E/A issued on April 30, 2007.

2. Commencement certificate from Municipal Corporation of Greater Mumbai as further endorsement on the first commencement certificate dated September 17, 2003 issued on May 3, 2007 as per amended approval dated April 30, 2007.
3. Extension to the Commencement Certificate No. EEBPC9526/E/A dated September 17, 2003 for 36th to 46th floor for Wing E from the Municipal Corporation of Greater Mumbai which is endorsed on March 14, 2008 as per the amended approval dated April 30, 2007.
4. Revalidation of the Intimation of Disapproval No. EB/9526/E/A and Commencement Certificate No. EB/9526/E/A by Municipal Corporation of Greater Noida issued on May 19, 2003 for the period ending September 16, 2008 through their letter No. EB/9526/E/A issued on February 25, 2008.
5. Order under Section 22 of the Urban Land Ceiling and Regulation Act 1976 from Additional Collector and Competent Authority, Greater Mumbai for Redevelopment of property No. C/ULC/D-III/22/6788 issued on September 17, 2001 expiring on September 16, 2006. The order was further revalidated on September 28, 2006 expiring on September 16, 2008.
6. Lay out approval from the Municipal Corporation of Greater Mumbai issued on April 30, 2007. Further revalidation as per Revalidation of the Intimation of Disapproval No. EB/9526/E/A and Commencement Certificate No. EB/9526/E/A by Municipal Corporation of Greater Noida issued on May 19, 2003 for the period ending September 16, 2008 through their letter No. EB/9526/E/A issued on February 25, 2008.
7. No objection certificate from Textile Department, Government of Maharashtra for the scheme of modernisation No. SIMPLEX 2001/CR-164/TEX 3 issued on November 14, 2002.
8. No objection certificate issued by Collector of Mumbai for the development of the lease hold portion of land for Tower 4 and 5 No. CSLR/MS-02/LND-2598/CTC/BYCULLA/06/3006 issued on April 26, 2006.
9. Approval from Highrise Committee by Chief Engineer (DP) Member Secretary, Technical Committee for Tower 4 and 5 No. Ch E/HRB-38/DPC/GEN issued on August 14, 2006.
10. Environmental clearance from Maharashtra Pollution Control Board (MPCB) No. MPCB/MS/5569 issued on September 27, 2005.
11. Occupation Certificate for Tower 1 and 2 vide No. EEBPC/9526/E by the Municipal Corporation of Greater Mumbai issued on January 18, 2008.

Godrej Coliseum Phase III (Village Kurla (East), Mumbai)

1. Amended Approval from Municipal Corporation of Greater Mumbai No. CE/3508/BPES/AL issued on November 30, 2007.
2. Commencement Certificate No. CF/3508/BPES/AL from Municipal Corporation of Greater Mumbai issued on September 2, 1996 and further endorsed on April 8, 2008 for Wing B as per approved plan issued on November 30, 2007.

Application made

Application for the approval No. ref GC/AAI/051107 to the General Manager (Aerodrum) Western Region, Mumbai for increase of the height of the building to an extent of 65 metres with regard to Land bearing No. CTS No. 638 of Village Kurla (II) issued on November 5, 2007

Godrej Woodsman Estate

1. Commencement certificate from Bangalore Development Authority No.BNS/TV/S.A1/02/2006-07 issued on October 18, 2006
2. Building license from Bangalore Mahanagar Palika (BBMP) No. LP/01/2006-2007 issued on October 13, 2006
3. Commencement certificates from Bangalore Development Authority (BDA) No.PS/EM/EO-11/NORTH/10/06-07 issued on July 17, 2006 and No. BDA/EO-II/TA-1/CC/T-577/2006-2007 dated December 28, 2006.
4. Plan approval from Bangalore Development Authority (BDA) No.NM/AS/AA2/0/10/06-07 issued on July 17, 2006
5. Work order from Bangalore Development Authority (BDA) No.BDA/GH-02/3128/2005-06 issued on December 15, 2005.
6. Land conversion from industrial to conversion from the Government of Karnataka No. 338 BOAS 2004 issued on January 5, 2005
7. No objection certificate from Bangalore Water Supply and Sewage Board (BWSSB) No. BWSSB/ACE(M)-1/TA-8/12/2005-06 issued on April 5, 2005
8. No objection certificate from the Airport Authority of India No. AA1/M/0-23/NOC for 58.9 metres issued on May 3, 2007
9. Consent for Establishment from Karnataka State Pollution Control Board SPCB No. CFE-EIA/GWE-ABI/EIA-394/2006-07/71 under Water (Prevention and Control Act) 1974 and Air (Prevention and Control Act) Act 1981 to construct residential apartments and commercial building issued on May 30, 2006 and June 20, 2006
10. No objection certificate from Bangalore Electricity Supply Company (BESCOM) No. CGM/BMAZ/DGM(T)/AGM(T)-2/F-249, 19846-49 issued on March 29, 2005
11. No objection certificate from Bharat Sanchar Nigam Limited (BSNL) No. DE(S)-6/I/2006-07/116 issued on August 29, 2006
12. No objection certificate from Department of Fire Services No. GBC(1)114/2005 issued on June 16, 2005
13. No objection certificate from Ministry of Environment and Forest, Government of India, New Delhi No.21-280/2006-(A-II) issued on October 27, 2006
14. No objection certificate from Forest Department No. 9 FOREST JL/05/06 issued on January 20, 2006

Godrej Genesis, Kolkata

1. No objection certificate by West Bengal Pollution Control Board granting consent to establish IT Park in EP GP 11, Block 9,10,13 and 14, Salt Lake Sector V, No. 894-2N-145/2006(E), Certificate no. 28928 issued on December 7, 2006
2. No objection certificate by Airport Authority of India No. AAI/20012/1208/2005-ARI(NOC) for the height of 78.81 metres issued on January 20, 2006 for a period of 3 years, expiring on January 19, 2009

3. Provisional certificate for no objection by the Office of the Director General, West Bengal Fire and Emergency Services ("WBFES"), No. WBFES/7115/07/Bidhan-0B/20/05(25/5) issued on December 10, 2007 based on revised building plan.
4. Sanction of building plan from Bidhan Nagar Municipality, Salt Lake No. V/BM/42 of double basement, ground and seven storied building, issued on June 17, 2005.
5. Fire NOC No. WBFES/8157/08/Bidhan/-0.B/20/05(25/05) issued by the West Bengal Fire and Emergency Services, Government of West Bengal on February 27, 2008 based on revised plan for proposed construction of B+G+Mezz+XVIII Storied under Group E-1, Business Building at Premises No. XI-9,10,13 and 14 Block EP & GP, Salk Lake, Kolkata.

Application Made

1. Application made by Simoco Telecommunications (South Asia) Limited to the West Bengal Electronics Industry Development Corporation Limited ("WEBEL") on June 19, 2007 for transfer of land/built up spaces in favour of prospective IT/ITES company for which relevant fee.
2. Provisional no objection certificate for addition and alteration of proposed construction of as per revised building plan of basement, ground, and eighteen floors submitted to Bidhannagar Municipality on January 22, 2008 for scrutiny and approval
3. Revised height clearance submitted to Airport Authority of India from 75 m to 82 m dated April 7, 2008 for the construction of additional floors

Godrej Waterside, Kolkata

1. No objection certificate by West Bengal Pollution Control Board granting consent to establish IT Park in DP 5, Sector V, Salt lake, Kolkata, No. 896-2N-04/2006(E), Certificate No. 28929 issued on December 7, 2006
2. No objection certificate issued by Airport Authority of India No. AAI/20012/1199/2004-ARI(NOC), for height clearance up to 85 metres from mean sea level, issued on October 26, 2005 expiring on October 25, 2008.
3. Provisional certificate of no objection granted by the Office of the Director General, West Bengal Fire and Emergency Services, WBFES/1316/06/Bidhan/IT/313/04(365/04), issued on March 7, 2006.
4. Sanction of building plan from Bidhan Nagar Municipality, Salt Lake of double basement, ground and eighteen storied tower and another eleven storied tower, no.2164/Bm(P) issued on October 13, 2007

Godrej Gold County, Bangalore

1. District Commissioner Approval for conversion of land from agricultural to residential No. ALN(N)S-R 365/04-05 issued on September 23, 2005.
2. Bangalore Development Authority layout approval No. BDA/NAYOSA/P1-10/595/2006-07 issued on September 6, 2006.
3. Bangalore Development Authority work order approval of drawing and construction No. BOAP/NOS/P1-40/05-06/996/2007-08 issued on June 5, 2007.
4. No objection certificate from Karnataka State Pollution Control Board No. KSPCB/RO-BNG(N)/DEO/AEO-2/LAYOUT/INR-149896/2005-06/8637 issued on February 23, 2006. The no

objection certificate issued was valid for a period of two years and has expired as on February 23, 2008. The Company is in the process of applying for renewal of the no objection certificate.

5. No objection certificate from the Bangalore Electricity Supply Company (BESCOM) No. BESCOM/AEE(O)/JE2/05-06/10162 for proposed residential lay out Survey No. 52 to 68 at Bangalore, issued on December 12, 2005

Godrej Prakriti, B.T. Road, Kolkata

1. Mutation Certificate No.AI/3156 in respect of Ward 14, Holding no: 187F/1, B.T. Road issued by Panihati Municipality on March 11, 2008 to Happy Highrises Limited.
2. Height clearance certificate No. G/MWC/1-150/T.B./2007-08/21/Vol. III dated April 26, 2008 issued by Bharat Sanchar Nigam Limited for a height of 95.6 metres above ground level to Happy Highrises Limited.

Application Made

Applied for Mutation at Block Land and Land Reforms Office on March 20, 2008. Mutation Case no: 1225/08 and 1226/08 from National Textile Corporation to Happy Highrises Limited

Godrej Genesis, Pune

Approval No. 304/Mulshi/SSP/1496 from Assistant Director, Town Planning Authority, Pune issued on June 30, 2004

Godrej Chandigarh – I, Chandigarh

Certificate for Conversion of Land Use No. CHB/CEO/LandUse/2007 of Industrial Site No. 70, Industrial Area, Phase I, Chandigarh into Commercial activity/Services from the Chandigarh Housing Board issued on November 14, 2007 under the “Chandigarh Conversion of Land Use of Industrial Site into Commercial Activity/Services in Industrial Area, Phase-I/Phase-II Chandigarh Scheme-2005”.

Godrej Mangalore – I, Mangalore

Certificate for Conversion of Land Use from agricultural to non agricultural and permission for commercial use by Order No. APNLNA/CR/838/2004-05 by the Tehsildar, Mangalore Taluk issued on March 10, 2005.

Godrej Tumkur Road – II, Bangalore

Conversion of Land Use from agricultural to commercial by order No. B.DS: ALN:SRD (N)177:92-93 dated March 2, 1994 issued by Special District Commissioner, Bangalore District, Bangalore.

The Company requires approvals from various governmental and local bodies in relation to all the projects executed or to be executed by it. These approvals are required at various stages of construction and shall be granted to us by these authorities subject to our compliance with the requirements of the local laws. These include no objections certificates from government agencies, plan sanction from the authorities, commencement certificate and occupancy certificate. In addition to the above, we also require the approvals under various environmental legislations for all our projects. We shall apply for these at the relevant stages of the construction.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by the Board of Directors in their meeting on December 19, 2007 and by the shareholders of our Company at an EGM held on December 24, 2007 under section 81 (1A) of the Companies Act.

Prohibition by SEBI

Our Company, our Directors, our Promoters, our Subsidiaries, the members of our Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, our Subsidiaries, members of our Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI Guidelines as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of the Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI Guidelines;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI Guidelines; and
- The aggregate of the proposed Issue size and all previous issues made in the same financial year is not expected to exceed five times the pre-Issue net worth of our Company and is compliant with Clause 2.2.1(e) of the SEBI Guidelines.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended Financial Year 2008 are set forth below:

Particulars	(Rs. million, except percentage values)				
	Year ended March 31,				
	2008	2007	2006	2005	2004
Distributable Profits ⁽¹⁾	739.95	364.58	184.54	105.42	76.04
Net Worth ⁽²⁾	2,421.54	450.26	465.95	415.30	386.35
Net Tangible Assets ⁽³⁾					

	2,417.74	446.57	463.04	412.98	384.41
Monetary Assets ⁽⁴⁾	63.96	133.68	149.86	41.78	142.89
Monetary Assets as a % of Net Tangible Assets	2.65%	29.93%	32.36%	10.12%	37.17%

- (1) Distributable Profits are as per Section 205 of the Companies Act, 1956;
- (2) Net Worth is the aggregate of the equity share capital and reserves, excluding miscellaneous expenditure, if any;
- (3) Net Tangible Assets is the sum of all net assets of the Company, excluding intangible assets as defined under Accounting Standard 26 issued by the Institute of Chartered Accountants of India;
- (4) Monetary Assets comprise cash and bank balances.

Further, in accordance with Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with allocation of 60% of the Issue size to QIBs as specified by SEBI.

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 THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- (i) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS MORE PARTICULARLY**

REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

- (ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE 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 SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS).
- (iii) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
- (iv) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- (v) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
- (vi) WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT PROSPECTUS/LETTER OF OFFER.
- (vii) WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT

SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.

- (viii) WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE ISSUER, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE ISSUER – NOT APPLICABLE.**
- (ix) 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.**
- (x) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.**
- (xi) WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE – NOT APPLICABLE.**
- (xii) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT MODE ONLY.**
- (xiii) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS/LETTER OF OFFER:**
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY 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.**

The filing of this 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 Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Mumbai, Maharashtra 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, Mumbai, Maharashtra in terms of section 56, section 60 and section 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this 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.godrejproperties.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, 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 its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any

circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States 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.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the United States of Securities Act, 1933.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of this Draft Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, Maharashtra, Mumbai at Everest, 100 Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate

of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Undertaking in relation to our Land Reserves

The Company undertakes to make continuous disclosures on stages of development on the material agreements that have been disclosed in this document to NSE and BSE on a continuous basis for the purposes of public dissemination.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue, and Syndicate Member, Escrow Collection Bankers, Registrar to the Issue, the Monitoring Agent, Legal Counsel to the Company, Legal Advisor to the Company and Legal Counsels to the Underwriters, the Advisors to the Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus.

M/s. Kalyaniwalla & Mistry, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of the Red Herring Prospectus.

M/s. Kalyaniwalla & Mistry, Chartered Accountants, have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Experts to the Issue

Except the report of [•] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Propsectus, the Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [•] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

<i>Rs.in million</i>			
Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
Lead management, underwriting and selling commission	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Others (Monitoring agency	[•]	[•]	[•]

Activity	Expenses *	Percentage of the Issue Expenses	Percentage of the Issue Size
fees, Registrar's fee, legal fee, listing fee, etc.)			
Total estimated expenses	Issue [•]	[•]	[•]

**To be completed after finalization of issue price*

Fees Payable to the BRLMs and the Syndicate Member

The total fees payable to the Book Running Lead Managers and the Syndicate Member will be as per the engagement letter dated February 22, 2008 with the BRLMs, issued by our Company, a copy of which is 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 dated May 28, 2008 a copy of which is available for inspection at the Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company's 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 Equity Shares since our inception.

Previous Rights and Public Issues

We have not made any public or rights issues in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 23 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

There is no other company under the same management within the meaning of the erstwhile Section 370(1B) of the Companies Act, other than the subsidiaries, joint ventures and the Promoter Group companies as provided in the sections "History and Corporate Structure" and "Promoter and Promoter Group" on page 93 and 123 respectively of this Draft Red Herring Prospectus.

Promise v. Performance – Promoter Group

Godrej Industries Limited

Godrej Industries Limited (which was earlier named Gujarat-Godrej Innovative Chemicals Limited and later Godrej Soaps Limited) made an initial public offer of 2,100,000 secured redeemable partly convertible

debentures of Rs. 150 each for cash at par aggregating to Rs. 315 million during the year 1989-90.

The details of promise vs. performance are as follows:

Objects of the Issue	Promise	Performance
To finance the setting up of a project for manufacture of Alpha Olefins its precursors and derivatives at Valia, Gujarat	-	With the commissioning of the Alpha Olefins plant in July 199, the project was fully commissioned

Geometric Limited

In the fiscal year 1999-2000 Geometric Limited made an initial public offering of 3,10,000 equity shares of Rs. 10 each for cash at a premium of Rs. 290 per equity share (Issue price of Rs. 300) aggregating Rs. 93 million and an offer for sale by existing members of 1,000,000 equity shares at a premium of Rs. 290 per share (offer price of Rs. 300) aggregating Rs. 300 million.

The proceeds of the issue were applied for the objects of the issue as disclosed in the prospectus for the issue. The objects of the issue were:

- The establishment of software development facilities at Pune Information Technology Park, Hinjewadi, near Pune in Maharashtra,
- Normal capital expenditure in the nature of upgradation of hardware/software,
- The expenses of the issue, and
- The listing of the company's equity shares on the stock exchanges.

Geometric Limited has not made any projections in its prospectus at the time of its initial public offer.

Outstanding Debentures, Bonds or Preference Shares

We have no debentures, bonds or preference shares outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

Our Company or the Registrar to the Issue shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Shodhan A. Kembhavi, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the

following address:

Mr. Shodhan A. Kembhavi
Godrej Properties Limited,
Godrej Bhavan, 4th Floor,
4A, Home Street, Fort,
Mumbai – 400 001
Tel: (91 22) 6651 0200
Fax: (91 22) 2207 2044
Email: secretarial@godrejproperties.com

Change in Auditors

There has been no change in our auditors during the last three years.

Capitalization of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled “Capital Structure” on page 23 of this Draft Red Herring Prospectus.

Revaluation of Assets

We have not revalued our assets in the last five years.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

Except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the listing agreements with the stock exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated December 19, 2007 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the EGM of our Company held on December 24, 2007.

The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section "Main Provisions of the Articles of Association" on page 344 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of the price band is Rs. [●] per Equity Share and at the higher end of the price band is Rs. [●]. At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as 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:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory or other preferential claims being satisfied;
- Right of free transferability of their equity shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled "Main Provisions of the Articles of Association" on page 344 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to Investor

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

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself

or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs/FIIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI. Such Eligible NRIs and FIIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue, including devolvement of 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 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

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 as provided in our Articles. See “Main Provisions of our Articles of Association” on page 344 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

The present Issue of 9,429,750 Equity Shares of Rs. 10 each of Godrej Properties Limited (“GPL” or the “Company” or the “Issuer”) for cash at a price of Rs. [●] per equity share (including a share premium of Rs. [●] per equity share) aggregating to Rs. [●] million (the “Issue”). The Issue will constitute 13.5% of the post Issue paid-up capital of the Company. The Company is considering a pre-IPO placement of up to 2,444,750 Equity Shares with certain investors (“Pre-IPO Placement”). The Pre-IPO Placement is at the discretion of the Company. The Company will complete the issuance, if any, of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public will be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 10% of the post Issue capital being offered to the public.

The Issue is being made through the 100% Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 5,657,850 Equity Shares	Not less than 942,975 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 2,828,925 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately 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, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of Issue or Issue less allocation to QIB and Retail Individual Bidders	Not less than 30% of Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 282,893 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 5,374,957 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	of [●] Equity Shares thereafter	of [●] Equity Shares thereafter	
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares not exceeding the size of the Issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid/Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, permitted insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law and National Investment Fund.	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, societies and trusts.	Individuals (including HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount per Retail Individual Bidder does not exceed Rs. 100,000 in value
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the Syndicate Member	Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Member	Amount applicable at the time of submission of Bid cum Application Form
Margin Amount	10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

- * Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19 (2) (b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than 282,893 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.
- ** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefore.

Bidding/Issue Programme

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

Bids and any revision in Bids will only be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m.** (Indian Standard Time) and uploaded until (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until such time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 100,000. 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 1 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and the Syndicate Member will not be responsible. Bids will be accepted only on Business Days.

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

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

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this being an issue for less than 25% of the post Issue paid up equity capital of the Company, this Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIBs 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 the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through the BRLMs. Our Company, in consultation with the BRLMs, 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 will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-residents, Eligible NRIs, FIIs etc. applying on a repatriation basis	Blue

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is

the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Indian Mutual Funds registered with SEBI;
- 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. Non-Residents can Bid for partly paid Equity Shares only if they have obtained the approval of the RBI to subscribe to partly paid Equity Shares and the said approval is submitted along with the Bid cum-Application Form;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable);
- FIIs registered with SEBI on a repatriation basis or a non-repatriation basis, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations in India under their constitution authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority, India;
- Provident funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund; and
- Any other QIBs permitted to invest in the Issue under the applicable law or regulation.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs and Syndicate Member

The BRLMs and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion or in Non-Institutional Portion where the allocation is on a proportionate basis.

The information given below is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. 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 Fund Portion. In the event that the demand is greater than 282,893 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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 our Registered Office and with members of the Syndicate.
2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible 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

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 69,850,009 Equity Shares of Rs. 10 each). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. 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 us cannot exceed 24% of our total issued capital. With the approval of the Board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that 'FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000'. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of

regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII 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.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Fund:

The SEBI (Venture Capital Funds) Regulations, 1996, as amended prescribe investment restrictions on venture capital funds registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

As per the existing policy of the GoI, FVCIs are not permitted to participate in the Issue.

SEBI has issued a press release on October 16, 2006 stating that the shareholding of SEBI registered Venture Capital Fund held in a company prior to making an initial public offer would be exempt from lock in requirement only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus.

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 BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLMs 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 Share thereafter, so as to ensure that the total Bid Amount (including revisions of Bids, if any) payable by the Bidder does not exceed Rs. 100,000. *(Investors may note that Total Bid amount is not just the amount payable at application but the entire amount payable for the bid including the amount payable by Due Date for Balance Amount Payable)* In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and subscribe to Equity Shares at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue. 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 existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for the Bidders:

- (a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Member or their authorised agent(s) to register their Bids.
- (e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement, subject to the provisions of S. 66 of the Companies Act shall be in the format prescribed in Schedule XX–A of the SEBI guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 date January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.
- (c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional

demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

- (e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids” on page 321.
- (f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled “Terms of Payment and Payment into the Escrow Accounts” on page 319.

Bids at Different Price Levels and Revision of Bids

- (a) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (One).
- (b) Our Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/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 Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.
- (c) 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 BRLMs and at the terminals of the members of the Syndicate.
- (d) Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (e) 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. Retail Individual Bidders may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (f) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase or subscribe the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual

Bidders, who Bid at the Cut off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price). The Retail Individual Bidders, who bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account.

- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Escrow Mechanism

Our Company and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the monies from the Escrow Account, as per the terms of the Escrow Agreement and this Red Herring Prospectus, into the Public Issue Account and the Refund Account.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the applicable Margin Amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the section titled "Issue Procedure-Payment Instructions" on page 329 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Each QIB shall provide its QIB Margin Amount only to a BRLM or Syndicate Member duly authorised by the BRLM in this regard. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid-cum-Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s),

which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date and no later than 15 (fifteen) days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

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 310 of this Draft Red Herring Prospectus. 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, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. QIBs will be required to deposit a margin of 10% 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/allotted lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation/Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which the Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- (b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor.
 - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Numbers of Equity Shares bid for.
 - Bid price.
 - Bid cum Application Form number.
 - Whether Margin Amount has been paid upon submission of Bid cum Application Form.

- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.
 - (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - (g) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 332.
 - (h) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
 - (i) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
- (c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**

- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders..
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the Company in consultation with the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with the Company.
- (b) The Company in consultation with the BRLMs shall finalise the Issue Price.
- (c) The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.
- (d) Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be met with spill over from any other category at the discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 282,893 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.
- (e) Allocation to Non Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- (h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLMs 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 Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Guidelines in two widely circulated newspapers (one each in English and Hindi) and a Marathi newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Price band along with a table showing the number of Equity Shares and the amount payable by and investor. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

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 BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.
- (b) The BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.
- (d) The Issuance of CAN is subject to "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page 313 of this Draft Red Herring Prospectus.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the

basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, 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 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.
- (b) In accordance with the SEBI Guidelines, **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, the Company will allot the Equity Shares to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted/transferees if they so desire as per the provisions of the Companies Act and the Depositories Act, rules, regulation and byelaws of the Depositories.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Draft Red Herring Prospectus;
- (b) Ensure that you Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non Resident Bid cum Application Form (blue in colour) or the Employee Bid cum Application form (pink in colour) as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (f) Ensure that you have been given a TRS for all your Bid options;
- (g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed

and obtain a revised TRS;

- (h) Bidders or in the case of joint Bidders, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act.
- (i) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;
- (j) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not bid for lower than the minimum Bid size;
- (b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Price in cash,
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000);
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations 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.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour, blue colour or pink colour).
- (b) Made 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 Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-

Application Forms or Revision Forms are liable to be rejected.

- (d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

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 BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

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 the Company, nor the Registrar, Escrow Collection Bank(s) nor the BRLMs, shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, 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.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

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 NRIs and FIIs on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. 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 316.
3. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
4. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered

accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by mutual fund registered with SEBI and venture capital fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Payment Instructions

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of Resident QIB Bidders: “Escrow Account – GPL Public Issue – QIB - R”
 - (b) In case of Non Resident QIB Bidders: “Escrow Account – GPL Public Issue – QIB - NR”
 - (c) In case of Resident Bidders: “Escrow Account – GPL Public Issue - Retail - R”
 - (d) In case of Non Resident Bidders: “Escrow Account – GPL Public Issue - Retail - NR”
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.
5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian

- Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance- or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. In case of Bids by FIIs the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
 7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
 8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
 9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.
 10. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address and applicants status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.
2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

The Bidders or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act.. 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”)

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Our Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the

reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Member;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by international QIB's not submitted through the BRLMs or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the

Bid/Issue Closing Date would be ensured; and

- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) **otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,724,150 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 2,724,150 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than

the Issue Price.

- If the aggregate demand in this category is less than or equal to 908,050 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 908,050 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion 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 for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate Allotment to QIB Bidders shall not be less than 5,657,850 Equity Shares.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the 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 BRLMs 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.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million equity shares
2	Allocation to QIB (60%)	120 million equity shares
	Of which:	
	a. Allocation to MF (5%)	6 million equity shares
	b. Balance for all QIBs including MFs	114 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50

S.No	Type of QIB bidders#	No. of shares bid for (in million)
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
Total		500

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	<i>Number of equity shares in million</i>	
			Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	11.40	0
A2	20	0	4.56	0
A3	130	0	29.64	0
A4	50	0	11.40	0
A5	50	0	11.40	0
MF1	40	1.2	9.12	10.32
MF2	40	1.2	9.12	10.32
MF3	80	2.4	18.24	20.64
MF4	20	0.6	4.56	5.16
MF5	20	0.6	4.56	5.16
	500	6	114	51.64

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” beginning on page 310.
2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.
3. The balance 114 million Equity Shares (i.e. 120 - 6 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 114 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 114/494
 - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant’s name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders’ bank account details, including the nine digit Magnetic Ink Character Recognition (“MICR”) code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders’ sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers: 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, Gorakpur 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. The payment of 324 of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Letters of Allotment or Refund Orders

The Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allotment. Applicants residing at the 68 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as

a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously;
- 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 the Issuer.
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time; and
- No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc. except as stated in this Draft Red Herring Prospectus.

The Company shall not have recourse to the Issue Proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilisation of Issue Proceeds

Our Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Industrial Policy, 1991 and the FEMA regulate foreign investment in Indian securities. The Industrial Policy, 1991 stipulates the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy. The FEMA further regulates foreign investment by prescribing the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual 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:

- I. Development of serviced plots and construction of built up residential premises
- II. Investment in real estate covering construction of residential and commercial premises including business centres and offices
- III. Development of townships
- IV. City and regional level urban infrastructure facilities, including both roads and bridges
- V. Investment in manufacture of building materials, which is also open to FDI

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

However, all other forms of FDI are prohibited in relation to Housing and Real Estate Business.

Press Note 2 of 2005

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

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

- a. Minimum area to be developed under each project is as under
 - 1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
 - 2. In case of construction-development projects, a minimum built up area of 50,000 square meters
 - 3. In case of a combination project, anyone of the above two conditions would suffice
- b. Minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.
- c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB.
- 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.

The RBI by its letters dated January 25, 2008 and March 19, 2008 has clarified that ‘FIIs may subscribe to the proposed IPO of your company under the portfolio investment scheme (PIS) in terms of Regulation 1(5) of schedule 2 to RBI Notification No. FEMA 20/2000-RB dated May 3, 2000’. However, it is provided that FII investments in any pre-ipo placement would be treated on par with FDI and will have to comply with the guidelines for such FDI in terms of lock-in period and other conditions prescribed vide Press Note 2 (2005 series) issued by Ministry of Commerce & Industry, DIPP and notified by RBI by notification no. 136/2005-RB dated July 19, 2005.

Note:

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have meaning that has been given to such terms in the Articles of Association of Godrej Properties Limited.

Pursuant to Schedule II of the Companies Act and SEBI Guidelines, the main provisions of the Articles of Association of Godrej Properties Limited are set forth below:

APPLICABILITY OF TABLE A

Article 1 provides that “the regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the Company and for the conduct of meetings of the Members thereof, shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles.”

SHARE CAPITAL

Further Issue of Capital

Article 13 provides:

- (1) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then
 1. 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 shares at that date.
 2. Such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
 3. 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) shall contain a statement of this right.
 4. After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company
- (2) Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any person (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 the 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 favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and

voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company;

- (3) Nothing in clause (c) of sub-clause (1) hereof shall be deemed:
- (i) To extend the time within which the offer should be accepted
 - (ii) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued 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 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 other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in general meeting before the issue of debentures or the raising of the loans

Article 4 provides that “the Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular, such shares may be issued with a preferential’ or a 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 Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Boards shall comply with the provisions of Section 97 of the Act.”

Reduction of Capital

Article 8 provides “subject to the provisions of 78, 80, 100 to 105 inclusive, of the Act, the Company may from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Fund or other Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that It may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.”

Power to Issue Preference Shares

Article 6 provides “subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference Shares which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.”

Provisions to apply on issue of Redeemable Preference Shares

Article 7 provides “on the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect:-

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid up;
- (c) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company’s Share Premium Account before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called “the Capital Redemption Reserve Fund”, a sum equal to the nominal -amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Fund were paid-up shares capital of the Company.”

New Capital same as Original Capital

Article 5 provides “except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.”

Shares under control of Directors

Article 14 provides “Subject to the provisions of these Articles and Section 81 of the Act, the shares in the capital of the company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion, on such terms and conditions and either at a premium or at par or at a discount (subject to the compliance with the provisions of Section 79 of the Act) and at such time as the Directors may from time to time think fit with the sanction of the Company in General Meeting the Directors may give any person or persons, the option or right to call for shares of any class of the Company either at a premium or at par and such option being exercisable for 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. 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.”

CONSOLIDATION AND DIVISION OF CAPITAL

Sub-division and Consolidation of Shares

Article 9 provides “subject to the provisions of Section 94 of the Act the Company in General Meeting may, from time to time, consolidate and divide or sub-divide its shares, or any of them, and the resolution where by 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 shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in General Meeting may also cancel Shares which 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”

Modification of Rights

Article 10 provides “whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article were omitted.”

SHARES AND CERTIFICATES

Register and Index of Members and Register and Index of Debentureholders

Article 11 provides “the Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debentureholders of Section 152 of the Act”.

Shares to be numbered progressively and no share to be sub-divided

Article 12 provides “the Share in the capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned no shares shall be subdivided.”

Deposits and call etc, to be a debt payable immediately

Articles 17 provides “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 the allottee in the Register of Members as the name of the holder of such shares, become debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.”

Company’s Lien on Shares/Debentures

Article 38 provides “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 a 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 hereof is to 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 the provisions of this clause.”

Renewal of Share Certificates

Article 20 provides:

- (a) No certificate of any share or shares shall be issued either in exchange for those shares which have been consolidated and divided or sub divided in replacement of those which are defaced, torn or worn out, or the cages on the reverse of which for recording transfers have been fully used, unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, there shall be stated on the face of it and against the stub or counterfoil that it is issued in lieu of share certificate(

whose number shall be given) of shares' which have been consolidated or divided or subdivided or in replacement of a share certificate (whose number shall be given) which have been defaced, torn or worn out or the cages on the reverse of which for recording transfers have been fully used as the case may be.

- (c) If a share certificate is 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 in lieu thereof shall be issued 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 director so decide, or on payment of such fee (not exceeding Rs. 2 for each certificate) as the director 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 regulations or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, there it shall be stated on the face of it and against the stub or counterfoil that it is a "duplicate issued in lieu of a share certificate (whose nos. shall be given)" and the word "Duplicate" shall be stamped or punched in bold letters across its face.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Member by suitable cross reference in the "Remarks" column.
- (f) Share certificates shall be printed and they shall be printed only by authority of a resolution of the Board. Share certificates shall be consecutively machine-numbered and the forms and the blocks, engravings facsimiles and hues relating to the printing of such certificates shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these certificates to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except share certificate referred to in clause (f).
- (h) All books referred to in clause (g) shall be preserved in good order permanently.
- (i) The provisions of this Article shall mutatis mutandis apply to debentures of the company

Issue of new Certificate in place of one defaced, lost or destroyed

Article 20 provides in sub-clause (c) that "If a share certificate is 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 in lieu thereof shall be issued 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 director so

decide, or on payment of such fee (not exceeding Rs. 2 for each certificate) as the director 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 regulations or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

Further, Article 20 (d) provides that “When a new share certificate has been issued in pursuance of clause (c) of this Article, there it shall be stated on the face of it and against the stub or counterfoil that it is a “duplicate issued in lieu of a share certificate (whose nos. shall be given)” and the word “Duplicate” shall be stamped or punched in bold letters across its face.”

JOINT HOLDERS OF SHARES

Article 186 provides that “a document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the jointholder named first in the Register of Members in respect of the share.”

UNDERWRITING AND BROKERAGE

Article 24 provides that “subject to the provisions of Section 76 of the Act , the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company; but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.”

Further, Article 25 provides that “The Company may pay a reasonable sum for brokerage.”

CALLS

Director may make calls

Articles 27 provides that “subject to the terms on which any shares may have been issued and to conditions of allotment the Board may, from time to time, 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 person and at the times and places appointed by the Board. A call may be made payable by instalments.”

Notice of Calls

Article 28 provides that “Fifteen days notice at the least of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.”

Calls to carry interest

Article 33 provides that “if any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board; but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.”

Proof on trial of suit for money due on shares

Article 35 provides that “On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to. have become due, of the shares in respect of which such money is sought to be recovered; such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the Minute Book; and that notice of such call was duly given to- the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board meeting at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.”

Payment in anticipation of calls may carry interest

Article 37 provides that “The Board may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same, all or any part of the amount of his shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board may agree upon. The Board may at any time repay the amount so advanced provided that moneys paid in advance of call on any shares may carry interest but shall not confer a right to dividend or to participate in profits. No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the company.”

FORFEITURE

If money payable on shares not paid notice to be given to member

Article 41 provides that “if any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time. Thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

Form of Notice

Article 42 provides that “the notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.”

In default of payment, shares to be forfeited

Article 43 provides that “if the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.”

Notice of forfeiture to Member

Article 44 provides that “when any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name is stood immediately prior to forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid”

Forfeited shares to be property of Company and may be sold

Article 45 provides that “any share so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit. “

TRANSFER AND TRANSMISSION OF SHARES

Execution of Transfer

Article 53 provides that, “No transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, If any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures or if no such certificate is in existence along with the letter of allotment of the shares or debentures provided the transferor shall be deemed to remain the holder of such share or debenture until the name of the transferee is entered in the Register in respect thereof.”

Form of Transfer

Article 54 provides that “The instrument of transfer of any share shall be in writing in the form prescribed pursuant to Section 108 of the Companies Act, 1956 and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

General power to refuse transfer

Article 52 provides that “Subject to the provisions of Section 111 & 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the 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 transmission, as the case may be, was delivered to company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the company on any account whatsoever except where the company has a lien on shares.”

Transfer to be left at office and evidence of title to be given when transfer to be retained

Article 56 provides that “Every instrument of transfer duly executed and stamped shall be left at the office of the Company for registration, accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.”

Title of shares of deceased holder

Article 59 provides that “The executor or administrator of a deceased Member (whether European, Hindu, Mohamedan, Parsi or otherwise not being one of two or more joint holders) shall be the only persons recognised

by the Company as having any title to his shares and the Company shall not be bound to recognise such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or other legal representation as the case may be from a duly constituted Court in India. Provided that in any case where the Board in their absolute discretion think fit, the Board may dispense with production of Probate or Letters or Administration or other legal representation, upon such terms as to indemnify or otherwise as the Directors may deem fit and under the next Article, register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased Member, as a member.”

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

Article 60 provides that “subject to provisions of the Act and these Articles, any person becoming entitled to share in consequence of the death, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence as the Board, think sufficient either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board, registered as such holder; provided never the less, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Certificate of Transfer

Article 67 provides that, “the certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the shares or debentures in the transferor named in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.”

DIRECTORS

Number of Directors

Article 114 provides that “until otherwise determined by a General Meeting and subject to Section 258 of the Act, the number of Directors (excluding Alternative Directors) shall not be less than three nor more than twelve.”

Directors’ power to add to Board

Article 118 provides that “the Board shall have power at any time and from time to time to appoint any qualified person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 114. Any such additional Directors shall hold Office only up to the date of the next Annual general Meeting but shall then be eligible for election at that meeting.”

Director’s Power to fill casual vacancy

Article 119 provides that “Subject to the provisions of Sections 262, and 284(6), of the Act the Board shall have power at any time and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him, but shall then be eligible for election.”

Debenture Directors

Article 117 provides that “If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that a trustee appointed under the trust deed shall have power to appoint a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any

Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the trustee in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be liable to retire by rotation. A Debenture Director shall not be bound to hold any qualification shares.”

Remuneration of Directors

Article 121 provides that:

- (1) “Subject to the provisions of the Act, a Director, who is in the whole time employment of the Company, or a Managing Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission. If the Company (special resolution authorises such commission.

Article 122 further provides that “directors of the Company other than the Managing Director and Whole time Directors shall be paid for attending meeting of the Board or Committee thereof such sitting fees as may be prescribed by the Act or the Central Government from time to time.”

Powers of Directors

Article 157 provides that “the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised or done by the Company in General Meeting, subject nevertheless to the provision of these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with any of the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:-

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment, of any debt due by a Director;
- (c) invest otherwise than in trust securities the sale proceeds resulting from the acquisition without the consent of the company of any such undertakings as is referred to in clause (a) or of any premise or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after 1 considerable time;
- (d) borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers, in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall subject to these Articles, be exercise only at meetings of the Board; unless the same be delegated to the extent therein stated; or
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed

twenty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

Power to Borrow

Article 71 provides that “subject to the provisions of Section 292 and 293 of the Act and of these Articles the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.”

Terms of Issue of Debentures

Article 73 provides that “any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions is to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise, Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in General Meeting by a special resolution.”

Certain Powers of the Board

Article 158 provides that “without prejudice to the general powers conferred by the last precedent Article and so as not in any way to limit or restrict, those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restriction contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:-

- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208 of the Act.
- (2) Subject to Sections 292, 297 and 372 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfactory.
- (3) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (4) To secure the fulfilment of any contract or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (5) To accept from any Member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as may be agreed.
- (6) To appoint any person to accept and hold in trust for the Company any property belonging to the

Company, or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

- (7) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and subject to section 293 of the Act to compound and allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (9) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company
- (10) Subject to the provisions of Section 292, 293 (1) (C), 295, 370, and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act all investments shall be made and held in the Company's own name.
- (11) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants, and agreement as shall be agreed upon.
- (12) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, releases, contracts and documents and to give the necessary authority for such purpose.
- (13) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business transaction, and to charge such bonus or commission as part of the working expense of the Company.
- (14) To provide for the welfare of Directors and ex-Directors, employees and ex-employees of the Company and the wives, widows and families or the dependents or connection of such persons, by building or contributing to the building of houses, dwelling, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trust and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical, and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility to otherwise
- (15) Before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund, to meet contingencies or to repay debentures, or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may; in the absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and

dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board may apply or upon which they may expand the same, or any part thereof, be matters to or upon which the capital moneys of the Company might rightly be applied or expanded, and to divide the Reserve Fund into such special funds as the Board may think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.

- (16) To appoint, and at their discretion remove or suspend such managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit. And also without prejudice as aforesaid from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (17) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration and from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board other than their power to make calls increase capital, all meetings, appoint directors, declare dividends, make loans or borrows moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegations
- (18) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and directions (not exceeding those vested in or exercisable by the Board under these Articles and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any Company or the shares holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of person whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.
- (19) Subject to Section 294 and 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient
- (20) To open any account or accounts with such bank or banks as the Board may select and to appoint persons to operate such accounts, and to make, sign, draw, accept, endorse or otherwise execute cheques, dividend warrants, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other negotiable instruments.

MANAGING DIRECTORS

Board of Directors may appoint Managing Director

Article 140 provides that “subject to the provisions of Sections 267, 268, 309, 310, 311, 316 and 317 of the Act the Board shall have power to appoint from time to time one or more of its number as Managing Director or Managing Directors of the Company for a fixed term not exceeding five years at a time and upon such conditions as the Board thinks fit, and subject to the provisions of Article 133, the Board may by resolution vest in such Managing Director such of the Powers hereby vested in the Board generally as it thinks fit, and such Powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director shall be determined in accordance with Article 121 and 122.”

Remuneration of Directors

Article 121 provides that:

- (1) “Subject to the provisions of the Act, a Director, who is in the whole time employment of the Company, or a Managing Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission. If the Company (special resolution authorises such commission.

Restriction on management

Article 141 provides that “the Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on shareholders in respect of money unpaid on the shares in the Company
- (aa) to authorise the buy-back referred to in the first proviso to clause (d) of sub-section (2) of section 77A of the Act
- (b) issue debentures

and except to the extent mentioned in a resolution passed at the Board meeting under Section 292 of the Act, he or they shall not exercise the powers to:-

- (c) borrow money, otherwise than on debentures,
- (d) invest the funds of the Company, and
- (e) make loans.”

DIVIDENDS

Dividends in proportion to amount paid up

Article 169 provides that “all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.”

The Company in General Meeting may declare a dividend

Article 164 provides that “the Company in General Meeting may declare a dividend to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board.”

Dividend only to be paid out of profits

Article 165 provides that:

- (1) “No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provision of Sections 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both. Provided that:-
 - (i) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of profits of any other previous financial year or years;
 - (ii) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for the year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of subsection (2) of Section 205 of the Act or against both.
- (2) Notwithstanding anything contained in sub-clause (1) hereof no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (1) hereof except after the transfer to the reserves of the Company of such percentage of its profits for that year not exceeding 10% as may be prescribed.

Provided that nothing in this clause shall be deemed to prohibit the voluntary transfer by a Company of a higher percentage of its profits to the reserves in accordance with such rules as may be made by the Central Government in this behalf.

- (3) Where owing to inadequacy or absence of profits in any year, the Company proposes to declare dividend out of the accumulated profits earned by the Company in previous years and transferred by it to the reserves such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and where any such declaration is not in accordance with such rules such declaration shall not be made except with the previous approval of the Central Government.

No Interest on Dividends

Article 175 provides that “no dividends bonus or other sum payable in cash shall bear interest against the Company.”

Interim Dividends

Article 167 provides that “the Board may, from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies”

No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement therefrom

Article 171 provides that “no Member shall be entitled to receive-payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.”

Unpaid or Unclaimed Dividend

Article 174 provides that “Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration of such dividend, the Company shall transfer such dividend within 7 days from the date of expiry of the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Godrej Properties Limited.

Any money transferred to the unpaid dividend account of a 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 the Investor Education and Protection Fund established under Section 205C of the Act. No unpaid or unclaimed dividend shall be forfeited by the company.”

INDEMNITY

Director's and other's right to indemnity

Article 193 provides that “every Officer or Agent for the time being of the Company shall be indemnified, out of the assets of the Company against any liability incurred by him in defending any proceeding, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.”

SECRECY CLAUSE

Article 194 provides that:

- (a) “Every Director, Manager, Secretary, Treasurer, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe, strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would not be in the interest of the Company to disclose.”

DEMATERIALISATION OF SECURITIES

Article 69 provides that “the provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

- (a) The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized

form pursuant to the Depositories Act, 1996.

- (b) Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository or rematerialize, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.
- (c) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act shall apply to a Depository in respect of the securities held by on behalf of the Beneficial Owners.
- (d)
 - (i) Notwithstanding anything to the contrary contained in the Companies Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the Beneficial Owner.
 - (ii) Save as required by Applicable Law, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (iii) Every Person holding securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a Depository and shall be deemed to be a Member of the Company.
- (e) Notwithstanding anything contained in the Companies Act or these Articles to the contrary, where securities of the Company are held in a Depository, the records of the Beneficiary Ownership may be served by such Depository on the Company or Registrar and Transfer Agents by means of electronic mode or by delivery of floppies or discs.
- (f) Nothing contained in Section 108 of the Companies Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- (g) Notwithstanding anything contained in the Companies Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (h) Nothing contained in the Companies Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- (i) The register of Members and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles.”

SECTION IX: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated February 22, 2008 from our Company appointing the BRLMs.
2. Memorandum of Understanding between our Company and the BRLMs dated May 28, 2008.
3. Memorandum of Understanding between our Company and the Registrar to the Issue dated May 28, 2008.
4. Escrow Agreement dated [•] between the Company, the BRLMs, the Escrow Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [•] between the Company, the BRLMs and the Syndicate Member.
6. Underwriting Agreement dated [•] between the Company, the BRLMs and the Syndicate Member.
7. Monitoring Agency Agreement dated [•] between the Company and the Monitoring Agent.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our Certificate of Incorporation.
3. Board resolutions in relation to the Issue.
4. Shareholders' resolutions in relation to the Issue.
5. Standalone Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2008, 2007, 2006, 2005 and 2004 audited by M/s. Kalyaniwalla & Mistry, Chartered Accountants and their audit report on the same, dated May 28, 2008.
6. Consolidated Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2008, 2007, 2006, 2005 and 2004 audited by M/s. Kalyaniwalla & Mistry, Chartered Accountants and their audit report on the same, dated May 28, 2008.
7. Statement of Tax Benefits from, M/s. Kalyaniwalla & Mistry, Chartered Accountants dated May 13, 2008 – Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.
8. Copies of annual reports of our Company for the years ended March 31, 2004, 2005, 2006, 2007 and 2008.

9. Consents of Bankers to the Company, BRLMs, Syndicate Member, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Counsel to the Company, Domestic Legal Advisor to the Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Directors of the Company, Company Secretary and Compliance Officer of the Company, as referred to, in their respective capacities.
10. Agreement between our Company and Mr. Milind S. Korde, Managing Director, dated July 17, 2006.
11. Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited.
12. Shareholders Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited.
13. Debenture Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Realty Private Limited.
14. Share Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited.
15. Shareholders Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited.
16. Debenture Subscription Agreement between our Company, HDFC Ventures Trustee Company Limited and Godrej Waterside Properties Private Limited.
17. Share Purchase Agreement in respect of Happy Highrises Limited.
18. Trademark License Agreement.
19. Letter from Godrej Industries Limited to the Company in relation to the proposed “Tri-Partite Advertising Agreement”.
20. Development agreement between the Company and Rallis India Limited dated November 1, 2007.
21. Agreement for grant of development rights between our Company and Sree Siddhi Infrabuild Private Limited.
22. Memorandum of understanding between our Company and Uppal IT Projects Private Limited dated May 2, 2008.
23. Initial listing applications dated [●] and [●] filed with BSE and NSE respectively.
24. In-principle listing approval dated [●] and [●] from BSE and NSE respectively.
25. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated [●].
26. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●].
27. Due diligence certificate dated May 28, 2008 to SEBI from the BRLMs.
28. SEBI observation letter No. [●] dated [●].
29. IPO Grading Report dated [●], 2008 by [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Adi B. Godrej (*Chairman*)

Mr. Jamshyd N. Godrej (*Non-Executive Director*)

Mr. Nadir B. Godrej (*Non-Executive Director*)

Ms. Parmeshwar A. Godrej (*Non-Executive Director*)

Mr. Amit B. Choudhury (*Independent Director*)

Mr. Keki B. Dadiseth (*Independent Director*)

Mrs. Lalita D. Gupte (*Independent Director*)

Mr. Pranay Vakil (*Independent Director*)

Dr. Pritam Singh (*Independent Director*)

Mr. Milind S. Korde (*Managing Director*)

Mr. Rajendra Khetawat
(*Vice-President – Finance and Accounts*)

Date: May 28, 2008

Place: Mumbai