DRAFT RED HERRING PROSPECTUS
Dated November 14, 2007
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

VASCON ENGINEERS LIMITED

(We were originally incorporated on January 1, 1986 as a private limited company under the provisions of the Companies Act, 1956 as Vascon Engineers Private Limited. For details of changes in name and registered office, see the section titled "History and Corporate Structure" beginning on page 97.)
Registered Office: 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083, Maharashtra, India Tel: (91 22) 2578 1143; Fax: (91 22) 2579 6333
Corporate Office: 201, Phoenix, Bund Garden Road, Pune 411 001 Tel: (91 20) 2612 8336; Fax: (91 20) 2613 1071
Company Secretary and Compliance Officer: Mr. M. Krishnamurthi; Tel: (91 20) 2612 8336 ; Fax: (91 20) 2613 1071
Email: compliance.officer@vascon.com; **Website**: www.vascon.com

PUBLIC ISSUE OF 10,680,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] MILLION (THE "ISSUE") BY VASCON ENGINEERS LIMITED (THE "COMPANY OR "THE ISSUER"). THE ISSUE WOULD CONSTITUTE 12.77% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

The Company is considering a Pre-IPO Placement of up to 2,000,000 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.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10.
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 AND 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 Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), 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.

IPO GRADING

The Issue has been graded [●] by CRISIL Limited.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered by way of book building) 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 the 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 invited to the section titled "Risk Factors" beginning on page x.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING ARRANGEMENT

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

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Kotak Mahindra Capital Company Limited 3rd Floor, Bakthawar 229, Nariman Point Mumbai 400 021, India Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: vascon.ipo@kotak.com Investor grievance id: kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole	**DSP Merrill Lynch Limited** Mafatlal Centre, 10th Floor Nariman Point Mumbai 400 021, India Tel. : (91 22) 6632 8000 Fax. : (91 22) 2204 8518 Email: vascon_ipo@ml.com Website: www.dspml.com Contact Person: Mr. N.S.Shekhar	**Karvy Computershare Private Limited** Plot No. 17 to 24, Vithalrao Nagar Madhapur Hyderabad 500 081, India Tel: (91 40) 2342 0815-18 Fax: (91 40) 2343 1551 Email: vasconipo@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●], 2008	BID/ISSUE CLOSES ON	[●], 2008

TABLE OF CONTENTS

SECTION I- GENERAL I

DEFINITIONS AND ABBREVIATIONS I
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA VIII
FORWARD-LOOKING STATEMENTS IX

SECTION II- RISK FACTORS X

SECTION III – INTRODUCTION 1

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY 1
SUMMARY FINANCIAL INFORMATION 5
THE ISSUE 8
GENERAL INFORMATION 9
CAPITAL STRUCTURE 17
OBJECTS OF THE ISSUE 28
BASIS FOR ISSUE PRICE 32
STATEMENT OF TAX BENEFITS 35

SECTION IV: ABOUT THE COMPANY 41

INDUSTRY 41
OUR BUSINESS 53
REGULATIONS AND POLICIES 89
HISTORY AND CORPORATE STRUCTURE 97
OUR MANAGEMENT 120
OUR PROMOTERS AND PROMOTER GROUP 130
RELATED PARTY TRANSACTIONS 145
DIVIDEND POLICY 148

SECTION V: FINANCIAL STATEMENTS 149

UNCONSOLIDATED FINANCIAL INFORMATION OF VASCON ENGINEERS LIMITED 149
CONSOLIDATED FINANCIAL INFORMATION OF VASCON ENGINEERS LIMITED 185
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS 219
FINANCIAL INDEBTEDNESS 236

SECTION VI: LEGAL AND OTHER INFORMATION 243

OUTSTANDING LITIGATION AND DEFAULTS 243
GOVERNMENT APPROVALS 255
OTHER REGULATORY AND STATUTORY DISCLOSURES 263

SECTION VII: ISSUE INFORMATION 271

TERMS OF THE ISSUE 271
ISSUE STRUCTURE 274
ISSUE PROCEDURE 277
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES 301

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION 303

SECTION IX: OTHER INFORMATION 340

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 340
DECLARATION 343

SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our", "Issuer", "the Company", "our Company" or "Vascon"	Unless the context otherwise indicates or implies, refers to Vascon Engineers Limited.

Company Related Terms

Term	Description
Articles	Articles of Association of our Company
AOP	Association of Persons
Auditors	The statutory auditors of our Company, Anand Mehta & Associates
Board / Board of Directors	Board of Directors of our Company
Corporate Promoters	The corporate promoters of our Company are 1. Vatsalya Enterprises Private Limited 2. Premratan Exports Private Limited 3. Golden Temple Pharma Private Limited
Developable Area / Saleable Area	Total area which is developed in each property, and includes carpet area, common area, service and storage area, as well as other open area, including car parking
Directors	Directors of Vascon Engineers Limited, unless otherwise specified
EPC Contracts	Contruction contracts for third parties and for real estate development projects developed by us and our Other Development Entities.
ESOP 2007	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 2,000,000. The plan was approved by the shareholders of our Company at at the meeting held on October 23, 2007.
Forthcoming Projects	Real estate development projects planned for construction and development
HI REF	HDFC India Real Estate Fund
HI REF Shareholders Agreement	Shareholder agreement dated June 21, 2006 entered into by our Company with HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund investing through its scheme called "HDFC India Real Estate Fund", R. Vasudevan and the Other Shareholders
Individual Promoters	The individual promoters of our Company are: 1. R. Vasudevan 2. Lalitha Vasudevan 3. N. R. Moorthy 4. Thangam Moorthy 5. Amar Lulla
Key Management Personnel	Those individuals described in "Our Management – Key Management Personnel" on page 127
Land Reserves	Refers to land where, title of the land or the interest in land, are owned by our Company, our Subsidiaries and our Other Development Entities. They also include lands in respect of which our Company, our Subsidiaries and our Other Development Entities have entered into an agreement or a memorandum of understanding to purchase or develop lands. It includes the total amount of Saleable Area to be developed through Ongoing and Forthcoming projects
Memorandum	Memorandum of Association of our Company
Ongoing Projects	Real estate development projects that are currently under construction and development
Order Backlog	Consists of anticipated EPC Contract revenues from the uncompleted portion of existing EPC Contracts (which are defined as signed contracts for which all pre-conditions to entry into force have been met).
Other Development Entities	Entities with whom or through whom we are carrying out real estate development activities and which excludes us and our Subsidiaries; 1. Angelica Properties Private Limited 2. Just Homes (India) Private Limited 3. Marigold Premises Private Limited

Term	Description
	4. Mumbai Estates Private Limited 5. Syringa Properties Private Limited 6. Viorica Properties Private Limited 7. John Fowler Ophthalmics Private Limited 8. Marathawada Realtors Private Limited 9. Almet Corporation Limited 10. Ascent Hotels Private Limited 11. Just Homes Associates 12. Zircon Ventures 13. Zenith Ventures 14. Phoenix Ventures 15. Weikfield IT-Citi Infopark 16. Ajanta Enterprises
Promoters	The promoters of our Company, namely: 1. R. Vasudevan 2. Lalitha Vasudevan 3. N. R. Moorthy 4. Thangam Moorthy 5. Amar Lulla 6. Vatsalya Enterprises Private Limited 7. Premratan Exports Private Limited 8. Golden Temple Pharma Private Limited
Promoter Group	The entities forming part of our promoter group are: 1. Bell Flower Premises Private Limited 2. Conamore Resorts Private Limited 3. Flora Premises Private Limited 4. Golden Dwellings Private Limited 5. Goldfield Habitat Private Limited 6. Hamcon Engineers Private Limited 7. Vastech Consultants Private Limited 8. Stresstech Engineers Private Limited 9. Dreamz Impex Private Limited 10. DNA Pharma Private Limited 11. Orion Lifecience Private Limited 12. Medicreams India Private Limited 13. Saga Chemicals Private Limited 14. N R Moorthy HUF 15. R Vasudevan HUF 16. Amar Lulla HUF 17. Venus Ventures The individuals forming part of our promter group are : 18. Ajit G. Hemady 19. Anisha Kanjilal 20. Chandrakant G. Hemady 21. Chandrashekhar 22. G. Sunderam 23. G. Venkatraman 24. Geeta Lula 25. Gurunath Narayan Hemady 26. Jayalakshmi 27. Kamala Hemady 28. Kumar G. Hemady 29. Lalitha Sunderarajan 30. Mohan G Hemady 31. N. Muthuswami 32. R. Tirupurasundari 33. Rani Wadhwani 34. Siddharth Vasudevan 35. Sonal Lulla

Term	Description
	36. Sowmya Vasudevan 37. Suresh Lulla
Registered Office of the Company	15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083
Subsidiaries or individually known as Subsidiary	1. Calypso Premises Private Limited 2. Cosmos Premises Private Limited 3. Floriana Properties Private Limited 4. IT – Citi Infopark Private Limited 5. Marvel Housing Private Limited 6. Rose Premises Private Limited 7. Vascon Dwellings Private Limited 8. Vascon Pricol Infrastructures Limited 9. Wind Flower Properties Private Limited

Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued
Banker(s) to the Issue	[●]
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 293
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid/Issue Closing Date	The date after which 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 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 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 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
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI DIP Guidelines, in terms of which this Issue is being made
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business
BRLMs	Book Running Lead Managers in this case being Kotak Mahindra Capital Company Limited and DSP Merrill Lynch Limited
CAN/ Confirmation of Allocation Note	Means 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	The Issue Price finalised by the Company in consultation with the BRLMs. Only Retail Individual Bidders are entitled to bid at the Cut Off Price, for a Bid Amount not exceeding Rs. 100,000. QIB's 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	[●]

Term	Description
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
DSP	DSP Merrill Lynch Limited having its registered office at Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021, India
ECS	Electronic Clearing Service
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
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 Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar, BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders 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 and in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, above which the Issue Price will be finalized and below which no Bids will be accepted
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
Issue	The issue of 10,680,000 Equity Shares of Rs. 10 each at a price of [●] each for cash, aggregating [●] by the Company under the RHP and the Prospectus. The Company is considering a Pre-IPO Placement of up to 2,000,000 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.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by the 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 having its registered office at 3rd Floor, Bakthawar, 229 Nariman Point, Mumbai 400 021, India
Kotak Securties	Kotak Securities Limited, a company incorporated under the Companies Act and having its registered office at 1st 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
Mutual Fund Portion	5% of the QIB Portion or 320,400 Equity Shares (assuming the QIB Portion is for at least 60% of the Issue Size) available for allocation to Mutual Funds only, out of the QIB Portion. A Pre-IPO Placement of up to 2,000,000 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 Mutual Fund Portion would be reduced proportionately with the reduction of the remainder of the Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
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 28
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. 1,00,000 (but not including NRIs other than Eligible NRIs)
Non Institutional Portion	The portion of the Issue being not less than 1,068,000 Equity Shares of Rs. 10 each

Term	Description
	available for allocation to Non Institutional Bidders. A Pre-IPO Placement of up to 2,000,000 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 Non Institutional Portion would be reduced proportionately with the reduction of the remainder of the Issue.
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(a) 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 (b) 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
Pre-IPO Placement	A Pre-IPO Placement of up to 2,000,000 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 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
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being at least 6,408,000 Equity Shares of Rs. 10 each to be allocated to QIBs. A Pre-IPO Placement of up to 2,000,000 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, 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 and pension funds with minimum corpus of Rs. 250 million
RTGS	Real Time Gross Settlement
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.
Retail Individual Bidder(s)	Individual Bidders who have not Bid for Equity Shares for an amount more than or equal to Rs. 1,00,000 in any of the bidding options in the Issue (including HUF applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 3,204,000 Equity Shares of Rs. 10 each available for allocation to Retail Bidder(s). A Pre-IPO Placement of up to 2,000,000 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 of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus which will be filed with RoC in terms of Section 60B of the Companies Act, at least 3 days before the Bid/ Issue Opening Date
Stock Exchanges	BSE and NSE
Syndicate	The BRLMs and the Syndicate Members

Term	Description
Syndicate Agreement	Agreement between the Syndicate and the Company in relation to the collection of Bids in this Issue
Syndicate Member	Kotak Securities Limited
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The Agreement between the members of the Syndicate and our Company to be entered into on or after the Pricing Date

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BPO	Business Process Outsourcing
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DIPP	Deparment of Industrial Policy and Promotion
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Easements Act	The Easements Act, 1882
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
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
ECS	Electronic Clearing Service
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder 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
GDP	Gross Domestic Product
GoI/Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, as amended from time to time
ITES	Information Technology Enabled Services
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
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

Term	Description
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 not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
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
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RoC	Registrar of Companies
RONW	Return on Net Worth
Rs.	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
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
Sec.	Section
SEZ	Special Economic Zone
Stamp Act	The Indian Stamp Act, 1899
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
T.P. Act	Transfer of Property Act, 1882
Urban Land Ceiling Act	The Urban Land (Ceiling and Regulation) Act, 1976
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America

Industry Related Terms

Term	Description
AAI	Airport Authority of India
Acre	Equals 43,560 sq. ft
CRIS INFAC	CRIS INFAC Industry Information Service, a brand of CRISIL Research and Information Services Limited
FSI	Floor Space Index
Gunta	Equals 1089 sq. ft
IT	Information Technology
ITES	Information Technology Enabled Services
SBA	Super Built up Area
Sq. ft.	Square Feet
TDR	Transfer of Development Right

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Draft Red Herring Prospectus, lands referred to as "our Lands" or "our Land Reserves" are land where, title of the land or the interest in land, are owned by our Company, our Subsidiaries and our Other Development Entities. They also include lands in respect of which our Company, our Subsidiaries and our Other Development Entities have entered into an agreement or a memorandum of understanding to purchase or develop lands. The Land Reserves figures herein may include lands in respect of which we have already recognized revenue, due in part to the application of unit completion accounting.

All references to "Rupees" or "Rs" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Unless stated otherwise the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year and all references to June 30, 2007 are to the three month period from April 1, 2007 to June 30, 2007.

All the numbers in the document, have been presented in million or in whole numbers where the numbers have been too small to present in millions.

There are significant differences between Indian GAAP, IFRS and US GAAP. We have not attempted to explain those differences or 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.

Market and industry data used in this Draft Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable however, they have not been verified by any independent sources. We have also used in this Draft Red Herring Prospectus data from CRISIL Limited.

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. There are no standard data gathering methodologies in the real estate industry in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally 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 meaning. 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 and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results and property valuations to differ materially from our expectations include, but are not limited to, the following:

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

For further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion of Financial Condition and Results of Operations" on pages x, 53 and 219, respectively. Neither us nor any of the Underwriters 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 events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II- RISK FACTORS

An investment in equity shares involves a degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain, a complete understanding of us, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 53 and 219 as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. If any one or some combination of the following risks were to occur, our business, results of operations and financial condition could suffer, and the price of the Equity Shares and the value of your investment in the Equity Shares could decline. The 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.

Internal Risks and Risks Relating to Our Business and Industry

1. One of our Promoter Directors, Amar Lulla and one of our other directors Ameet Hariani are involved in certain criminal proceedings.

Our Promoter Director, Amar Lulla is involved in one criminal proceeding. A criminal complaint has been filed by the Drug Control Authority of the Rajasthan State Government against him in relation to the non – withdrawal of a banned product, Alergin, from the market. This drug was being distributed by Cipla Limited, in which company he is a director. The drug was banned by the Government of India. For details of this case, see "Outstanding Litigation and Material Defaults - Cases involving our Promoter -Amar Lulla" on page 249.

Also, one of our directors, Ameet Hariani is currently involved in two criminal proceedings. A criminal complaint has been filed by Jai Singh against persons who he has claimed to be the directors of Alpic Finance Limited. The case has been filed under Sections 420, 406 and 120B of the Indian Penal Code. The case of the complainant is that he had invested in certain debentures of Alpic Finance Limited which were due for repayment in 2001. He has further has alleged that all the directors of Alpic Finance Limited had come to Bareilly in 2001 to meet investors, to assure them that repayment would be made. In response, he has filed a Criminal Writ Petition before the Allahabad High Court in relation to the quashing of the aforementioned criminal case and for staying of the summons and staying of the proceedings in the criminal case. For details of the said case, please see "Outstanding Litigation and Material Defaults- Cases involving our Directors –Ameet Hariani" on page 253.

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

Our business is 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 real estate prices or market conditions deteriorate. Recently, in India, the prices of real estate have been experiencing significant gains. We cannot assure you that such gains will continue or that the prices of real estate in the areas where we operate, and in India in general, will not adversely fluctuate. Real estate projects take a substantial amount of time to develop, and we could incur losses if we, or our Other Development Entities, purchase land at high prices and sell or lease our developed projects during weaker economic periods. 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 is significantly affected by changes in government policies, economic conditions, interest rates, income levels, demographic trends and employment, among other factors. These factors can negatively affect the demand for and valuation of both our projects under development and our planned projects. For example, lower interest rates on financing from India's retail banks and housing finance companies, particularly for residential real estate, and favourable tax treatment of loans, have helped fuel the recent growth of the Indian real estate market. In addition, lower interest rates have assisted us and our Other Development Entities in procuring borrowings at attractive terms for purchase of land and development of real estate projects. However, India has experienced rising interest rates over the last three fiscal years. Rising interest rates could discourage real estate customers from borrowing to finance real estate purchases as well as real estate development companies, such as us and our Other Development Entities, from incurring indebtedness to develop projects, and as such could adversely affect the real estate

market. The interest rates at which we, our Other Development Entities or our real estate customers borrow funds affects the affordability of, and therefore the demand for, our residential and commercial real estate developments.

Additionally, stricter provisioning and risk weightage norms imposed by the RBI in relation to real estate loans by banks and housing 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. The use of home loans for residential properties has also become attractive due to certain income tax benefits available under the Income Tax Act, 1961. In the event of any change in fiscal, monetary or other policy of the GoI and a consequent withdrawal of such income tax benefits, the prevalence or use of home loans may be reduced. Our business could be adversely affected if the demand for, or supply of, real estate financing at attractive rates and other terms were to diminish or cease to exist.

3. Since we implement many of our real estate development projects through project-specific Subsidiaries and Other Development Entities, we are substantially dependent on the performance of such Subsidiaries and Other Development Entities.

We have equity interests in nine Subsidiaries and in certain Other Development Entities of which eleven are corporate entities, five are association of persons and one is a partnership firm, each of which develops a real estate development project. Some of our Subsidiaries and these Other Development Entities not only develop real estate but also continue to own and operate such developments subsequent to their completion. As a result, although we generate revenues from our EPC business and at times directly develop real estate, our financial condition and results of operations are dependent on the performance of our Subsidiaries and Other Development Entities and the revenues from EPC services, dividends and other distributions we receive from them. As a result, in the event of non-performance of our Subsidiaries and Other Development Entities, losses incurred by such entities or non-receipt of EPC revenue, dividends or other distributions from them, our results of operations and financial condition may be adversely affected.

4. The land owned by us in our name is 5.70 acres and is less than 2% of our total Land Reserves.

We own in our own name a total of 5.70 acres of land aggregating 1.14%, of our total Land Reserves. For details about the land held in our name, see ‘Our Business- Land Reserves’ on page 66.

5. Some of the land forming part of our Land Reserves are classified in the ‘green belt area’.

Land measuring 0.72 acres, representing approximately 0.14% of our Land Reserves are classified as land falling in the ‘green belt area’, i.e. land falling within restricted area, where no commercial or residential development is permissible. Any other form of activity to be carried out within such restricted area will require the prior consent of the relevant state authority. We cannot assure you that we will be granted or will obtain permission to develop such land, or in a timely manner or at all. If we do not receive permissions from the relevant authorities, in a timely manner or in a manner acceptable to us, we may not be able to develop such land, which could adversely affect our business, prospects, financial condition and results of operations.

6. Significant portion of the land forming part of our Land Reserves consists of agricultural land.

Part of our Land Reserves consists of agricultural land. We shall commence development on such land upon receiving approvals from the relevant state authority for the conversion of its usage to commercial and residential purpose. If the approvals from the relevant state authority for the conversion of such land for commercial or residential purposes are not granted, we may not be able to carry on any developments on such land. For more information see “Regulations and Policies” on page 89.

7. Sustained high raw materials or equipment costs or the lack of their availability may adversely affect our business and results of operations.

Costs of raw materials constitute a significant part of our operating expenses. Our construction operations require a wide range of construction materials including steel, cement, sand and other aggregates, fittings, frames, doors and windows. In addition, we require the use of a range of construction equipment such as excavators, cranes and cement mixers in our construction processes. Our ability to pass on increases in materials and equipment costs may be limited under contracts with limited or no price variation provisions

and under our real estate development projects as a result of pricing of properties and market and other conditions. Although, historically, we have not faced any significant shortage of raw materials or equipment, we cannot assure you that we would not face any shortage in the future. Unanticipated increases in materials and equipment costs not taken into account in our EPC Contracts or real estate development projects or the lack of their availability may adversely affect our business and results of operations.

8. We depend upon the fulfillment of the obligations of our joint venture partners, as well as the products and services of a number of suppliers and sub-contractors, in the operation of our business.

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

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

9. We are subject to the provisions of the Urban Land Ceiling Act and hence we may be required to satisfy certain conditions prescribed by the relevant authority.

We and our Other Development Entities have acquired development rights from various owners of the land who are required to comply with the orders passed under the provisions of the Urban Land (Ceiling and Regulation) Act, 1976. In the event that the said land or a portion of it may be identified as excess land, it may be required to be surrendered to the government. In the event that these owners of the land are not able to acquire an exemption from surrendering the land, we may not be able to carry out any development activity on the land, which we may affect our business prospects. Further, in the event that this excess land is available to us, there may be certain prescribed conditions which we may be required to comply with to carry out development on such land.

10. Projects included in our EPC Order Backlog may be delayed or modified, which could harm our cash flow position, revenues and income.

Projects included in our EPC Order Backlog may be delayed or cancelled which could materially harm our cash flow position, revenues and earnings. As of October 31, 2007, our EPC Order Backlog was Rs. 10,740.69 million. Our backlog does not necessarily indicate future earnings related to the performance of that work but merely refers to expected future revenues under signed contracts or contracts where letters of intent have been received. Backlog projects represent only business that is considered firm, although cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if backlog will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could materially harm our cash flow position, revenues or earnings.

For some of the contracts in our order book, our clients are obliged to perform or take certain actions, such as securing of the right of way, clearance of agricultural land or forest, securing of required approvals, licenses or permits, timely payments of advances or opening of letters of credit, timely approval of designs and shifting of existing utilities. If a client does not perform all such actions in a timely manner or at all, our operations and our results of operations may be adversely affected.

11. In our EPC business, we are exposed to significant construction risks that could cause us to incur losses.

Our projects are generally performed on a fixed-price range basis, except in certain projects where we have price variation or owner-supply provisions for the supply of steel and cement. Under the terms and conditions of such fixed-price contracts, we generally agree for a fixed price for providing engineering, procurement and construction services for the project contracted to us, subject, however, in certain cases to project variations pursuant to changes in the client's requirements. The actual expense to us for executing a fixed-price contract may vary substantially from the assumptions underlying our bid for several reasons, including unanticipated changes in engineering or design of the project, unanticipated increases in the cost of equipment, materials or manpower, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite regulatory, environmental and other approvals, resulting in delays and increased costs, delays caused by local weather conditions, and suppliers' or subcontractors' failure to perform.

Unanticipated costs or delays in performance of part of the contract can have compounding effects by increasing costs of performing other parts of the contract. These variations, and the risks generally inherent to the construction industry, may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

12. Inadequate project management could affect our results of operations and financial condition as we may have to incur liquidated damages for time overruns.

Our business depends on proper and timely project management of our projects. Although we focus on project management in a number of ways, including by appointing project managers at our sites and project coordinators at our headquarters and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses, and thus adversely affect our profitability.

Time is often of the essence in our projects. In our EPC business, while we may enter into contracts which provide for liquidated damages for time overruns, in our real estate development business, we or our Other Development Entities may have to pay liquidated damages for delays in completion or delivery of the property. Additionally, in some EPC Contracts, in case of delay due to our fault or because of defective work done by us, clients may have the right to appoint a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. Further, in our contracts our clients may be required to obtain statutory approvals for right of way and make payment of crop and tree compensation, increasing the risks of idling of resources and delay, as well as our liabilities. In case we are unable to meet the performance criteria as prescribed by the clients and if liquidated damages are levied, our results of operations and financial condition could be adversely affected.

13. Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses.

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage.

We may also be subject to claims from construction defects in the projects constructed by us within the warranty periods provided by us. Actual or claimed defects in construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations. Our policy of covering these risks through contractual limitations of liability and insurance may not always be effective. Losses may derive from risks not addressed in our insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves against engineering and construction industry risks for any of these reasons could expose us to substantial costs and potentially lead to material losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.

14. We may not be able to replenish Land Reserves by acquiring suitable sites which may adversely affect our business and prospects.

As of October 31, 2007, we, together with our Other Development Entities, hold approximately 34.69 million sq. ft. of Saleable Area. Our growth plans require us to develop our Land Reserves at a rapid rate. In order to maintain and grow our business, we will be required to replenish our Land Reserves with suitable sites for future development. Our ability to identify and acquire suitable sites is dependent on a number of factors that may be beyond our control. These factors include the price and availability of suitable land, the willingness of land-owners to sell or develop land on terms acceptable to us, the ability to obtain and complete an agreement to sell or develop from all the owners where the land has multiple owners, the availability and cost of financing, encumbrances on targeted land, government directives on land use and the obtaining of permits, consents and approvals for land acquisition and development. The failure to acquire 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 suffer.

In addition, land acquisition in India has historically been subject to regulatory restrictions on foreign investment. In addition to these restrictions being gradually relaxed, the aggressive growth strategies and financing plans of real estate development companies as well as real estate investment funds in the country, is likely to make 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.

15. Certain information contained herein, including the measurements with respect to the total Saleable Area of our projects, are based on management estimates which may change for various reasons. Certain statistical and financial data from third parties contained herein may be incomplete or unreliable.

Some of the information contained in this Draft Red Herring Prospectus with respect to our projects such as the amount of land or land development rights owned by us and our Other Development Entities, the location and type of development of such land and the amount of total Saleable Area used for development is based on management estimates and has not been independently appraised. The total area of property that is ultimately developed may differ from the descriptions of the property presented herein depending on various factors such as market conditions, title defects, modification of architect estimates, and any inability to obtain necessary regulatory approvals. Therefore, our management's estimates with respect to our Ongoing and Forthcoming Projects is subject to uncertainty.

We have not independently verified data from certain government and industry publications and other sources contained herein and therefore cannot assure you that they are complete or reliable. Also, data with respect to other countries may be produced on a different basis than the data that relates to India. Therefore, certain statements contained herein relating to India, its economy or our industry have not been verified by us and may be incomplete or unreliable.

16. We may not be successful in identifying suitable projects, which may impede our growth.

Our ability to identify suitable projects is fundamental to our business and involves certain risks, including identifying and acquiring appropriate land or development rights over appropriate land, appealing to the tastes of residential customers, understanding and responding to the requirements of commercial clients and anticipating the changing trends in India. In identifying new projects, we also need to take into account land use regulations, the land's proximity to resources such as water and electricity and the availability and competence of third parties such as architects, surveyors, engineers and contractors. 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. The failure to identify suitable projects, build or develop properties that meet customer demand in a timely manner could result in lost or reduced profits. In addition, it could reduce the number of projects we undertake and slow our growth.

17. A decline in the financial stability of our commercial tenants as well as our prospective tenants may adversely affect our business and financial results.

We and our Other Development Entities in some cases own and lease commercial properties until their sale. General economic conditions and other factors may affect the financial stability of our tenants and prospective tenants and/or the demand for our commercial real estate. In the event of a default or

termination of the lease by the tenant prior to its expiry, we will suffer a rental shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. If we are unable to re-let or renew lease contracts promptly, if the rentals upon such renewals or re-leasing are lower than the expected value or if reserves, if any, for these purposes prove inadequate, our results of operations, financial condition and the value of our real estate could be adversely affected.

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

The growing disposable income of India's middle and upper income classes, together with changes in lifestyle, has resulted in a substantial change in the nature of their 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 and running water, and amenities such as covered parking, gardens, community space, security systems, playgrounds, swimming pools, fitness centres, tennis courts and golf courses. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could adversely affect our business and prospects.

19. The expansion of our commercial real estate business is dependent on the willingness and ability of corporate customers to purchase or pay rent at suitable levels.

Our commercial real estate business has historically targeted, and will continue to target, domestic and multinational pharmaceutical, IT and ITES companies. Our growth and success will therefore depend on the provision of high quality office space to attract and retain clients who are willing and able to pay purchase or rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these clients. We will incur significant costs for the integration of modern fittings, contemporary architecture and landscaping. Further, the security, telecommunications, broadband and wireless systems that our clients require involve additional costs associated with installation and maintenance by third parties. In addition, our commercial customers may choose to acquire or develop their own commercial facilities, which may reduce the demand for our commercial properties from these customers. Companies in the IT and ITES sector, constitute a significant proportion of our commercial tenant base and our commercial business would be adversely affected if these industries were to experience a slowdown or if companies in these industries were to scale down their operations.

20. The success of our real estate development business also depends on our ability to build hotels, resorts, shopping malls and multiplexes in appropriate locations and attract suitable retailers and customers.

The success of our real estate development business depends on our ability to recognize and respond to the changing trends in India's hospitality, consumer and retail markets sector. Within our real estate development business, we also continue to own hotels, resorts and a service apartment complex. We believe that in order to draw consumers away from traditional shopping environments such as small local retail stores or markets as well as from competing malls, we need to create demand for our shopping malls where customers can take advantage of a variety of consumer and retail options, such as large department stores, in addition to amenities such as designer stores, comprehensive entertainment facilities, including multiplexes, restaurants, bars, air conditioning and underground parking.

Further, to help ensure our malls' success, we must secure suitable anchor tenants and other retailers as they play a key role in generating customer traffic. With the likely entry of major international retail companies into India and the establishment of competing retail operations, there will be an increasing need to attract and retain major anchor tenants and other retailers who can successfully compete with the growing presence of large international retailers. A decline in consumer and retail spending or a decrease in the popularity of the retailers' businesses could cause retailers to cease operations or experience significant financial difficulties that in turn could harm our ability to continue to attract successful retailers and visitors to our malls and hotels.

21. The estimated total Saleable Area with respect to our Ongoing and Forthcoming Projects is based on existing real estate regulations and current development plans, and may differ from the actual total Saleable Area once the project is complete.

The estimated total Saleable Area data presented in this Draft Red Herring Prospectus has been estimated based on real estate regulations and current development plans. Any change in these regulations or plans may lead to changes in the estimated Saleable Area, including a reduction in such area, which could adversely affect our business and results of operations. In addition, our estimates with respect to such Saleable Area necessarily contain assumptions that may not prove to be correct. If our estimated Saleable Area data proves to be greater than our actual saleable data, our results may fail to meet expectations and our share price and business could suffer.

22. Our hotels and malls operations, and our plans to develop hotels and malls, are subject to risks inherent to such businesses and other contingencies, and may not be successful.

As part of our growth strategy, we have developed three hotels and a number of shopping malls and office complexes and intend to develop several others. We derive revenue from entities involved in owning and operating hotels and service apartment complexes. Currently, we are also constructing a number of hotels, shopping malls and office complexes. The success of our hotels and malls business is subject to the state of Indian economy and the hospitality and retail industries and our abilities to select appropriate locations and successfully undertake and complete projects with our Other Development Entities.

Our success in the development of hotels and malls will also depend on our ability to forecast and respond to demand in industries in which we do not have significant experience to date. The hotel industry entails additional risks that are distinct from those applicable to our EPC business or the business of developing residential and commercial real estate, such as the supply of hotel rooms exceeding demand, the failure to attract and retain business and leisure travelers as well as adverse international, national or regional trends and security conditions. Any of these developments could have an adverse effect on our business, results of operations and financial condition.

23. We will face competition from new SEZ developments and this may adversely affect our growth plans.

Owing to the relaxation of the regulatory framework and availability of fiscal and other benefits for setting up operations in SEZs, a large number of companies have expressed interest in developing SEZs in anticipation of demand for space in the SEZs. We realise that many approvals have been granted in various locations including in and around Hyderabad, Chennai, Pune, Bangalore and National Capital Region, regions. We may face competition arising from SEZs being developed in neighbouring areas as well as from our current and potential customers who may set up their own SEZs. The entities in which we have an interest and with whom we carry on joint development activities could prefer to carry on SEZ development on their own. This increased competition from future SEZ developments could adversely affect our growth plans.

24. We may not be able to complete the acquisitions or registrations of the land for which we, our Subsidiaries or Other Development Entities, have entered into agreements to purchase.

We, our Subsidiaries and the Other Development Entities, have entered into and from time to time will enter into, agreements to purchase land from third parties. These agreements are entered into prior to acquiring the land or entering into a joint venture or joint development arrangements. These acquisition agreements typically stipulate time frames within which title to land or interest in such land must be conveyed and provide that all or a part of the advance monies paid to these third parties may be forfeited in the event that the acquisition process is not completed within the agreed time frames. In certain situations, agreements to purchase land may expire or contain irregularities that may invalidate them. As a result, we cannot assure you that we or our Subsidiaries or the Other Development Entities will be successful in acquiring interest or registering such land, and consequently, may not be able to develop such properties, which could have an adverse affect on our financial condition and results of operations.

We also cannot assure you that the land identified will be acquired at competitive prices. In the event that the prices are increased by the land owners, we may not at all be able to acquire additional land or proceed with the developments.

25. The government may exercise rights of compulsory purchase or eminent domain in respect of our Land Reserves.

We are subject to the risk that governmental agencies in India may exercise rights of eminent domain, or compulsory purchase in respect of our Land Reserves. The Land Acquisition Act, 1894 allows the central and state governments to exercise rights of compulsory purchase, or eminent domain, which, if used in respect of our land, could require us to relinquish land 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 major current or proposed developments could adversely affect our business.

26. A substantial portion of our business and operations are concentrated in Maharashtra, which exposes us to risks of concentration.

A substantial portion of our business and operations are concentrated in Maharashtra, especially in and around Pune. As of October 31, 2007, we have 36 ongoing EPC Contracts, with Order Backlog of Rs. 10,740.69 million out of which 65.22% of our Order Backlog is for Maharashtra. We, together with our Other Development Entities, have 45 Ongoing and Forthcoming projects aggregating to 34.69 million square feet of Saleable Area, out of which 93.80% is to be developed in Maharashtra. In the event of a regional slowdown in the business, economic or construction activity in Maharashtra, especially in and around Pune, or any developments that make projects in Maharashtra less economically beneficial, our business, financial condition and results of operations could be adversely affected.

In addition, we may not be successful in diversifying our business and operations to other cities and states, due to our lack of experience regarding the development and regulations applicable in new geographic areas or because of the differences in scale or style of projects in such areas. In addition, our competitors may be better known in markets other than Maharashtra, enjoy better relationships with land-owners, gain early access to information regarding attractive parcels of land and be better placed to acquire such parcels of land.

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

We are often required to pay substantial advance payments as security deposits to the land-owners in connection with the development of our Ongoing and Forthcoming projects. As of October 31, 2007, we paid an aggregate of Rs. 198.60 million as refundable security deposits in relation to our Land Reserves. Our joint ventures and joint development agreements generally require us to obtain consents and approvals in a timely manner from the regulatory authorities to develop our projects. Further, we are required to complete the construction of our projects within specified periods of time. Under our joint venture and joint development agreements, we also indemnify our joint venture partners or land-owners in connection with the development of our projects.

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

28. We face uncertainty of title to land.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to land may often be fragmented and the land may have multiple owners. Some of such land may have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping and may be subject to encumbrances of which we may not be aware. As we also undertake development in collaboration with third parties, in some of these properties, the title to the land may be owned by one or more of such third parties. In such instances, we cannot assure you that the persons with whom we enter into joint ventures or joint development agreements have clear title to such land.

While we and our Other Development Entities conduct due diligence and assessment exercises prior to acquiring land or entering into joint development agreements with land owners or such third parties, we may not be able to assess or identify all risks and liabilities associated with the land, such as faulty or disputed title, unregistered encumbrances or adverse possession rights. As a result, most of such land does not have guaranteed title and title has not been independently verified. The uncertainty of title to land makes the acquisition and development process more complicated, may impede the transfer of title, expose us to legal disputes, adversely affecting our land valuations and our business and financial condition.

Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If we or the owners of the land, with whom we enter into development agreements or our Other Development Entities which owns the land, are unable to resolve such disputes with these claimants, the interest in the land may be lost. The failure to obtain good title to a particular plot of land may materially prejudice the success of a development for which that plot is a critical part and may require us to write off expenditures in respect of the development. In addition, 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 such land could adversely impact our property valuations and prospects.

29. Our and our Other Development Entities' inability to procure contiguous parcels of land may affect our future development activities.

In recent times, we have perceived the trend towards larger developments spread over 50 to 100 or more acres. Our Company, our Subsidiaries and our Other Development Entities try to acquire parcels of land or development rights to such land in one or more locations, over a period of time, for future development. Some of these parcels of land may need to be subsequently consolidated to form a contiguous landmass, upon which we may undertake development. However, we may not be able to procure such parcels of land on terms that are acceptable to us, or at all, which may affect our ability to consolidate parcels of land into a contiguous mass. Failure to acquire such contiguous parcels of land may cause delays or force us to abandon or modify the development of the land in such locations in the manner sought by us, which may result in our failing to realise our investment for acquiring such parcels of land. Accordingly, our inability to procure contiguous parcels of land may adversely affect our business prospects, financial conditions and results of operations.

30. We and our Other Development Entities do not obtain independent purchase price estimates for our land.

We and our Other Development Entities have not obtained any third party appraisals in connection with the valuation for acquiring land or development rights to such land. The pricing methods used to calculate the price of our land are determined by our senior management. Our purchase price may exceed fair market value or the value that would have been determined by third party appraisals, which may have an adverse impact on our business. In addition, the estimates of the costs of projects for which we propose to use the net proceeds of the Issue have not been appraised by any third party and are based on internal estimates only.

31. Most of our projects require the services of third parties, which entails certain risks.

Most of our projects require the services of third parties; including architects, engineers, contractors and suppliers of labour and materials. The timing and quality of construction of the projects we develop depends on the availability and skill of those third parties, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. 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. 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.

32. Our insurance coverage may not adequately protect us against certain operational risks to or claims by our employees, and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain insurance for a variety of risks, which is consistent with industry practice, including for loss or damage to equipment and materials supplied to our sites, fire and certain other eventualities. In addition, we generally carry workers' compensation and accident and medical insurance for certain of our employees. Under many of our EPC Contracts, we are required to obtain insurance for the projects undertaken by us, and as such regularly purchase specific business operations insurance policies for individual projects. However, in some cases, we may have not obtained the required insurance or such insurance policies may have lapsed prior to the completion of the project. Further, we may not have obtained insurance cover for some of our projects that do not require us to maintain insurance.

There are various other types of risks and losses for which we are not insured, such as loss of business, environmental liabilities and natural disasters, because they are either uninsurable or not insurable on commercially acceptable terms. We also do not carry any key-man insurance. Should an uninsured loss or a loss in excess of insured limits occur, we could incur liabilities, lose capital invested in that property or lose the anticipated future income derived from that business or property, while remaining obligated for any indebtedness or other financial obligations related to our business. Any such loss could result in an adverse effect to our financial condition.

33. We may not be able to compete effectively, particularly in regional markets which may adversely affect our profitability.

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

In our EPC business, while technical qualification is an important consideration in client decision, the price of the contract is the major factor in most tender awards. The contract is usually awarded to the bidder quoting the lowest price. As a result of this competition, we face intense margin pressure from existing competitors and new entrants, which could have an adverse effect on our financial condition and prospects.

We face significant competition in our real estate development business from other developers, many of whom undertake similar projects within the same regional markets as us. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects 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 on the Maharashtra state region. 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, gain early access to information regarding attractive parcels of land and be better placed to acquire such land.

In our shopping malls business, we and certain of our tenants compete with other retail distribution channels, including department stores and other shopping malls, in attracting customers. In our hotel business, we compete with other hotels, resorts and service apartments operating in the neighbourhoods where our and our Other Development Entities hotels, resorts and service apartments are located. Increasing competition could result in price and supply volatility, which could cause our business to suffer.

Some of our competitors are larger than us and have greater land banks or financial resources. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated and/or lower cost solutions than we do, 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 SEZs, shopping malls and hotels, we may not be able to compete effectively with our competitors, some of whom may have greater breadth of experience and qualifications.

34. If we are unable to manage our growth effectively, our business and financial results will be adversely affected.

We are embarking on a growth strategy, which involves a substantial expansion of our current business lines. We have, within a short period, entered into agreements giving us and our Other Development Entities ownership or development rights over a significant amount of land. As of October 31, 2007, we are engaged in 36 EPC Contracts and we and our Other Development Entities are currently engaged in the development of 45 Ongoing and Forthcoming projects, including hotels and resorts, spread over 5 states. Our consolidated total income has grown from Rs. 1,430.60 million in the fiscal year 2006 to Rs. 3,992.45 million in the fiscal year 2007 and our consolidated net profit after tax has increased from Rs. 130.02 million in the fiscal year 2006 to Rs. 473.10 million in the fiscal year 2007.

Our expansion and diversification is on a scale that is unprecedented in our history and places significant demands on our management as well as our financial, accounting and operating systems. We may not be able to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. Further, as we grow and diversify, we may not be able to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. If we are unable to manage our growth effectively, our business and financial results will be adversely affected.

35. We may not be successful in implementing our strategies, including our growth strategy.

The success of our business will depend greatly on our ability to effectively implement our business and strategies. See "Business – Our Strategies." 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. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have a material adverse effect on our business, financial condition and profitability.

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

Under our business model, our revenues and profits are derived primarily from our EPC business and from the sale of properties, leasing of commercial properties and income from hotel and mall operations. While rental income can be relatively stable, revenues from EPC work and sale of properties vary and are dependent on various factors such as the current stage and size of our projects and the expected completion dates of such projects, rights of lessors or third parties that could impair our ability to sell properties, in case of sales, and general market conditions. Our income from hotel operations could also vary due to various factors such as the state of the economy and the hospitality industry. The anticipated completion dates for our projects, including those set forth in this Draft Red Herring Prospectus, are estimates based on current expectations and could change significantly, thereby affecting our income. Our revenue recognition policy in relation to real estate development projects recognises revenue only when the risks and rewards on the properties are transferred to the buyer. The combination of these factors may result in significant variations in our revenues and profits.

37. Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.

As of June 30, 2007, we had total debt of Rs. 1,929.99 million. We and our Other Development Entities may incur additional indebtedness in the future. Our indebtedness and that of our Other Development Entities could have several important consequences, including but not limited to the following:

- a portion of our and our Other Development Entities cash flow may be used towards repayment of existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our and our Other Development Entities' ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our and our Other Development Entities' borrowings, as some of our and our Other Development Entities indebtedness are at variable interest rates;

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

Most of our and our Other Development Entities financing arrangements are secured by our or our Other Development Entities, as applicable, movable and immovable assets. Many of our and our Other Development Entities financing agreements also include various conditions and covenants that require us or them, as applicable, to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations.

The agreements and instruments governing our, including our Other Development Entities, existing indebtedness and the agreements we and our Other Development Entities expect to enter into governing future indebtedness, contain and are likely to contain restrictions and limitations, such as restrictions on issuance of new shares or other securities, incurring further indebtedness, creating further encumbrances on assets, disposing of assets, effecting any scheme of amalgamation or restructuring, undertaking guarantee obligations, declaring dividends or incurring capital expenditures beyond certain limits. In addition, some of these financing agreements contain and are likely to contain financial covenants, which may require us to maintain, among other things, a specified net worth to assets ratio, debt service coverage ratio, and maintenance of collateral.

38. We have high working capital and capital expenditure requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital and capital expenditure requirements, there may be an adverse effect on our results of operations.

Our EPC and real estate development businesses require a significant amount of working capital and capital expenditure. In many cases, significant amounts of our working capital are required to finance the purchase of materials and the performance of engineering, procurement, construction and other work on projects before payment is received from clients. Capital expenditure is required by us to purchase equipment. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital and capital expenditure needs.

Our working capital requirements may increase if in contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project. These factors may result, or have resulted, in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.
It is customary in the industries in which we operate to provide advances, security deposits, bank guarantees or performance bonds in favor of customers to secure obligations under contracts. We may not be able to continue obtaining additional indebtedness, or new bank guarantees and performance bonds, in sufficient amounts to meet our business requirements. If we are unable to incur sufficient additional indebtedness or provide sufficient collateral to secure the bank guarantees or performance bonds, our ability to enter into new contracts could be limited.

39. If we are unable to retain or recruit key personnel or maintain uninterrupted relationships with our subcontractors of labour, our business could suffer.

Our senior management and key managerial personnel, many of whom have decades of experience with us and in the industries in which we operate, are difficult to replace. Any loss or interruption of the services of such key personnel, or our inability to recruit qualified additional or replacement personnel, could adversely affect our business. In addition, certain aspects of our construction processes depend upon highly skilled employees. As a result of economic growth and increased EPC activity in India, we may be unable to find or retain skilled personnel in sufficient numbers to satisfy our requirements. This risk may be exacerbated by governmental policies and mandates to hire a local force, which may not be as skilled or available at rates commensurate with our operations in other geographical areas.

We also regularly contract with subcontractors and third parties for the provision of labour for our projects. The number of contract labourers vary from time to time based on the nature and extent of EPC work. We

are dependent on these subcontractors and third parties, and if they experience disruptions related to their work force, including strikes and work stoppages, those disruptions may have an adverse effect on our business and results of operations. We cannot assure you that skilled labour, whether hired through subcontracts, third parties or directly, will continue to be available at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to mobilize additional resources at a greater cost to us to ensure the adequate performance and delivery of our EPC services. Also, all contract labourers engaged at our facilities are assured minimum wages that are fixed by local government authorities. Any upward revision of wages required by such governments to be paid to such contract labourers or offer of permanent employment or the unavailability of the required number of contract labourers, may increase our labour costs.

40. We have issued Equity Shares in the 12 months preceding the date of filing our Draft Red Herring Prospectus to our Promoters at a price that may be less than the Issue Price.

On October 25, 2007 we issued 1,650,000 Equity Shares to some of our individual Promoters. Of these shares, 50,000 shares were allotted to Mr N.R. Moorthy at a face value of Rs. 10.00 and 1,600,000 shares were allotted to Mr Vasudevan at a face value of Rs. 10.00, which may be less than the Issue Price. These shares were allotted pursuant to the exercise of their vested options under the ESOP 2007. We have also issued bonus shares in the ratio of 1:1 on June 11, 2007. For further details please refer to "Capital Structure- Notes to Capital Structure" on page 18.

41. We may continue to enter into transactions with related parties.

We have entered into certain transactions with related parties including in relation to income, expenditure, purchase and sale of fixed assets and loans and advances. These transactions or any future transactions with our related parties could potentially involve conflicts of interest and may harm our business or reputation. See "Related Party Transactions" beginning on page 145.

42. Certain of our Subsidiaries, our Other Development Entities and certain entities forming part of our Promoter Group have incurred losses in the past.

Certain of our Subsidiaries, our Other Development Entities and companies forming part of our Promoter Group have incurred losses for the fiscal years 2007, 2006 and 2005.

The following Subsidiaries and Other Development Entities have incurred losses in the past:

	Profit/Loss after Tax (Rs. in millions)		
Name of the Company	**Fiscal Year 2007**	**Fiscal Year 2006**	**Fiscal Year 2005**
Calypso Premises Private Limited	(3.78)	-	-
Cosmos Premises Private Limited	(1.44)	(3.97)	-
Floriana Properties Private Limited	(0.48)	-	-
Rose Premises Private Limited	(2.17)	-	-
Vascon Dwellings Private Limited	(1.53)	(0.02)	-
IT-Citi Infopark Private Limited	(0.28)	(3.20)	(0.52)
Wind Flower Properties Private Limited	(0.04)	-	-
Angelica Properties Private Limited	(4.79)	-	-
Just Homes (India) Private Limited	255.43	23.51	(0.62)
Mumbai Estate Private Limited	(0.32)	-	-
Syringa Properties Private Limited	(0.03)	-	-
Viorica Properties Private Limited	(1.54)	(0.00)	(0,02)
John Fowler Opthalmics Private Limited	(10.68)	(1.14)	0.49
Marathwada Realtors Private Limited	(0.87)	(0.03)	(0.16)
Almet Corporation Limited	(5.18)	(4.43)	(29.53)
Zircon Ventures	62.68	(1.62)	-
Zenith Ventures	4.55	(0.74)	-
Phoenix Ventures	(0.02)	-	-
Ajanta Enterprises	-	1.44	(0.50)

The following entities forming part of our Promoter Group have incurred losses in the past:

	Profit/Loss after Tax (Rs. in millions)		
Name of the Company	**Fiscal Year 2007**	**Fiscal Year 2006**	**Fiscal Year 2005**
Conamore Resorts Private Limited	8.03	(0.78)	2.20
Flora Premises Private Limited	7.64	(2.11)	-

43. Our Promoters will continue to exercise significant influence over us, and their interests in our business may be different to those of other shareholders.

85.34% and of our issued and outstanding Equity Shares are currently owned by our Promoters and Promoter Group. Immediately following this Issue, but assuming no other changes in shareholding, Promoters and Promoter Group will own 74.10% of our issued and outstanding Equity Shares. Accordingly, our Promoters and Promoter Group can exercise significant influence over our business policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or even prevent a merger, acquisition or change in control of our company and may make some transactions more difficult or impossible without the support of these shareholders. We cannot assure you that the interests of these shareholders may not conflict with the interests of other shareholders.

44. Our Company and one of our Individual Promoters, Amar Lulla and one of our directors Ameet Hariani are party to certain legal proceedings.

We are involved in certain legal proceedings and claims in relation to taxation matters. There are also two civil cases filed against us. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We can give no assurance that these legal proceedings will be decided in our favour. Further, we may also not be able to quantify all the claims in which we or any of our group companies are involved. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations.

In addition, there are a total of two cases filed against one of our individual Promoters, Amar Lulla including one criminal compliant. One of our directors, Ameet Hariani is also involved in two criminal proceedings in addition to one proceeding before the disciplinary committee of the Bar Council Maharashtra. For details on the criminal litigations see risk factor 'One of our Promoter Directors, Amar Lulla and one of our other directors, Ameet Hariani are involved in certain criminal proceedings' on page x. There can be no assurance that the provisions we have made for litigation will be sufficient or that further substantial litigation will not be brought against us or our Directors in the future. Our failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business, prospects, financial condition and results of operations could be adversely affected. For more information regarding litigation, please refer to the section titled "Outstanding Litigation and Defaults" on page 243.

45. Contingent liabilities could adversely affect our financial condition.

As of June 30, 2007, we had contingent liabilities in the following amounts, as disclosed in the our restated consolidated financial statements:

Particulars	**(Rs. in Millions)**
For Income Tax	29.07
Guarantees / counter guarantees given by us or by banks on our behalf	79.83
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	66.66

46. We operate in a highly regulated environment, and the government policies, laws and regulations affecting the sectors in which we operate and the related industries, could adversely affect our operations and our profitability.

We must comply with extensive and complex regulations affecting the construction and land development processes. These regulations impose on us additional costs and delays, which affect our business and results

of operations. In particular, we are required to obtain the approval of numerous governmental authorities regulating matters such as permitted land uses, levels of density, the installation of utility services, zoning and building standards. See "Regulations and Policies" beginning on page 89, for a description of laws and regulations applicable to us in India. The regulatory framework in India is evolving and regulatory changes could have an adverse effect on our business, results of operations and financial condition. In addition, the real estate industry in India is also heavily regulated by local governments. Non-compliance with any regulation may also lead to penalties, revocation of our permits or licenses or litigation.

Future government policies and changes in laws and regulations in India may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

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

We require regulatory approvals, licenses, registrations and permissions to operate our businesses, particularly to develop and construct our projects. These approvals, licenses, registrations and permissions are required from a range of Central and State Governments and their agencies. In addition, some of the regulatory approvals, licenses, registrations and permissions required for operating our businesses expire from time to time. We generally apply for renewals of such regulatory approvals, licenses, registrations and permissions, prior to or upon their expiry. However, we cannot assure you that we will obtain all regulatory approvals, licenses, registrations and permissions that we may require in the future, or receive renewals of existing or future approvals, licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business.

48. Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.

We are subject to environmental, health and safety regulations. See "Regulations and Policies" beginning on page 89. Governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations we are subject to, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

49. Taxes and other levies imposed by the Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations.

We are subject to taxes and other levies imposed by the Central or State Governments in India, including customs duties, excise duties, central sales tax, state sales tax, fringe benefit tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Central or State Governments may adversely affect our competitive position and profitability.

50. We and our Other Development Entities, take advantage of certain tax benefits under the provisions of the Income Tax Act, which if withdrawn, may adversely affect our financial condition and results of operations.

Our business may be benefited from various tax benefits such as Sections 80IA, 80IB, 54EC and 10AB of the Income Tax Act, and is also expected to benefit from SEZ related tax benefits. We may not be able to avail the benefits of these sections should the tax authorities interpret them in a manner inconsistent with our interpretation or if some of these benefits are withdrawn. In addition, certain tax benefits claimed by us in the past may be denied and we may be required to pay the amounts in relation to the claimed tax benefits to the relevant tax authorities. The effective tax rates payable by us may increase and consequently our financial condition and results of operations may be adversely affected.

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

Some of our Promoter Group companies are engaged in a similar business as us, including development and construction of residential and commercial projects. See 'Our Promoters and Our Promoter Group' on page 130. We cannot assure you that our Promoters will not favour the interests of this or other Promoter Group companies over our interests.

52. We will have broad discretion in how we use the proceeds of this Issue and we may not use the proceeds as per the stated objects. This could affect our profitability and cause the price of our Equity Shares to decline.

Our management will have considerable discretion in the application of the net proceeds of this offering, and you will not have the opportunity, as part of your investment decision, to assess whether we are using the proceeds in a manner that you believe enhances our market value. See "Object of the Issue" on page 28. Pending utilisation of the proceeds of this Issue for the purposes described in this Draft Red Herring Prospectus, we intend to invest the proceeds of the Issue in interest bearing liquid instruments including money market mutual funds and deposits with banks, for the necessary duration, or for reducing amounts outstanding in our overdraft facilities. Such investments would be made in accordance with investment policies or investment limits approved by our Board from time to time. We may use the net proceeds for corporate purposes that do not improve our profitability or increase our market value, which could cause the price of our Equity Shares to decline.

53. Our funding requirements and 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. The deployment of funds as stated in the section titled "Objects of the Issue" on page 28 is entirely at the discretion of our Board. All the figures included under the section titled "Objects of the Issue" are based on our own estimates. 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 expenditure programmes and an increase or decrease in our proposed expenditure for a particular matter.

54. We may undertake acquisitions, investments, strategic relationships or divestments in the future, which may pose management and integration challenges.

We may make acquisitions, investments, strategic relationships and divestments in the future as part of our growth strategy in India. These acquisitions, investments, strategic relationships and divestments may not necessarily contribute to our profitability and may divert the attention of our management or require us to assume high levels of debt or contingent liabilities, as part of such transactions. In addition, we could experience difficulty in combining operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

External Risks

1. 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, 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 89.

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

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in

liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

3. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

4. Terrorist attacks and other acts of violence involving India, the United States, the United Kingdom or other countries could adversely affect the financial markets, result in a loss of client confidence and adversely affect our business, results of operations and financial condition.

Certain events that are beyond our control, including terrorist attacks and other acts of violence or war, including those involving India, the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could potentially lead to economic recession, which could adversely affect our business, results of operations and financial condition, and more generally, any of these events could lower confidence in India as an investment destination. Southern Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, including India, Pakistan and China. In recent years there have been several instances of military confrontations along the India-Pakistan border. There continues to be potential for hostilities between India and Pakistan due to recent terrorist activities, troop mobilizations along the border and the geopolitical climate along the border. Although this has not been the case to date, such political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on the market for our services. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue to operate. India has witnessed communal clashes in the past. Although such clashes in India have, in the recent past, been sporadic and have been contained within reasonably short periods of time, any such civil disturbance in the future could result in disruptions in transportation or communication networks, as well as have adverse implications for general economic conditions in India. Such events could have an adverse affect on our business, on the value of our Equity Shares and on your investment in our Equity Shares.

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

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concerns could have a negative impact on the economies, financial markets and business activities in the countries in which our end markets are located, which could have an adverse effect on our business. The outbreak in 2003 of Severe Acute Respiratory Syndrome in Asia and the outbreak of avian influenza, or bird flu, across Asia and Europe, have adversely affected a number of countries and companies. Although we have not been adversely impacted by these recent outbreaks, we can give no assurance that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have an adverse effect on our business.

6. We are subject to regulatory, economic and political uncertainties in India.

In the early 1990s, India experienced significant inflation, low growth in gross domestic product and shortages of foreign currency reserves. The Indian government provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified industries of the economy. We have benefited from tax holidays provided under these incentives. We cannot assure you that liberalization policies will continue. Furthermore, the rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our Equity Shares could also change. Since 1996, the government of India has changed six times and the current Indian government is a coalition of many parties, some of which do not want to continue India's current economic policies. Various factors, including a collapse of the present coalition government due to the withdrawal of support of coalition members, could trigger

significant changes in India's economic liberalization and deregulation policies, disrupt business and economic conditions in India generally and our business in particular. Our financial performance and the market price of our shares may be adversely affected by changes in inflation, exchange rates and controls, interest rates, government of India policies, social stability or other political, economic or diplomatic developments affecting India in the future.

7. Substantial future sales of our Equity Shares in the public market could cause our Equity Share price to fall.

Upon consummation of this Issue we will have outstanding 83,294,706 Equity Shares. The shares offered in this Issue will be freely tradable without restriction in the public market, unless purchased by our affiliates. Upon completion of this Issue, our Promoters and our Promoter Group will directly or beneficially, own 61,970,000 Equity Shares, which will represent approximately 74.10% of the fully diluted post issue share capital. The holders of approximately 55,889,065 Equity Shares, will be entitled to dispose of their shares following the expiration of a one-year 'lock-in' period. Sales of a large number of our Equity Shares by our shareholders, especially our Promoters, could adversely affect the market price of our Equity Shares. Additionally, any future equity offerings by us, including issuances of stock options, or any perception by investors that such issuances might occur, may lead to the dilution of investor shareholding in our company or affect the market price of the Equity Shares and could impact our ability to raise capital through an issue of our securities.

8. There is no existing market for our Equity Shares and we cannot assure that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue Price or at all.

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this offering. The initial public offering price of the Equity Shares offered hereby was determined through our negotiations with the underwriters and may not be indicative of the market price of the Equity Shares after this offering. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- adverse media reports about us or the real estate and EPC industries;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- market conditions and perception specific to the real estate and EPC industries;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant clients;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalisation and deregulation policies and the fiscal regime; and
- volatility in the Indian and global securities markets.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future.

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

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

10. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced recent volatility. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

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

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

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

Our 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. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

Notes to risk factors:

- The Issue of 10,680,000 Equity Shares of Rs. 10.00 each at a price of [●] each for cash, aggregating Rs. [●] million by the Company. The Issue would constitute 12.77% of the fully diluted post issue paid-up capital of the Company. The Company is considering a Pre-IPO Placement of up to 2,000,000 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 terms of Rule 19(2)(b) of the SCRR, this Issue being less than 25% of the post Issue capital of our Company, the Issue is being made through the 100% Book Building process wherein at least 60% of the Issue would be available for allocation on a proportionate basis to QIBs. 5% of the QIB Portion would be available for allocation to Mutual Funds only and the remaining QIB Portion would 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, up to 10% of the Issue would be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue would 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 average cost of acquisition of our Equity Shares by our Promoters is Rs. 2.15 per Equity Share. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amount paid by them to acquire the Equity Shares issued by us.

- Other than as stated in the section titled "Capital Structure", our Company has not issued any Equity Shares for consideration other than cash;
- Investors may note that in case of over-subscription in the Issue, Allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis;
- Our Promoters, our Directors and our key managerial personnel have no interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding and except as disclosed in the sections titled "Capital Structure", "Our Promoters and Promoter Group" or "Our Management" beginning on pages 17, 130 and 120, respectively.
- Pertaining to our related party transactions, see the section titled "Financial Statements" beginning on page 149;
- For details of transactions in the securities of the Company by our Promoters in the last six months, refer to the section titled "Capital Structure" beginning on page 17;
- Trading in the Equity Shares of our Company for all investors shall be in dematerialised form only, after the Equity Shares are fully paid-up. For further details, see the section titled "Issue Procedure" beginning on page 277;
- Investors are advised to refer to the section titled "Basis for Issue Price" beginning on page 32;
- Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever;
- Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue;
- The net worth of our Company, on a consolidated basis, is Rs. 2,541.79 million, as at June 30, 2007, as per the restated consolidated financial statements of our Company under Indian GAAP in the section titled " Financial Statements" beginning on page 185;
- The net asset value/ book value per Equity Share was Rs. 35.82 as at June 30, 2007, as per the restated consolidated financial statements of our Company under Indian GAAP in the section titled "Financial Statement" beginning on page 185;
- Certain Promoter Group entities which hold Equity Shares in our Company are interested only to the extent of shareholding in our Company. For details, see the section titled "Capital Structure" beginning on page 17;
- Our Company has not made any loans and advances to any person(s)/company in which the Directors are interested.
- The registered office of our Company was originally located at 12, Gunbow Street, Fort, Mumbai 400 001 and pursuant to a resolution of the Board dated February 1, 1998 it was shifted to 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083. Subsequently, pursuant to a resolution of our Board dated May 19, 2000, the registered office was again shifted to 51, Deccan Court, S.V. Road, Bandra (W), Mumbai 400 050. Pursuant to a resolution of our Board dated November 25, 2004 the registered office was shifted from 51, Deccan Court, S.V. Road, Bandra (W), Mumbai 400 050 again to 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

Overview

We are an engineering, procurement and construction services and real estate development company with operations in a number of states and union territories in India. We believe in providing high quality and innovative projects on a timely basis. We provide all of our EPC services and we develop real estate directly or through our Subsidiaries and Other Development Entities. Directly or through our Subsidiaries and Other Development Entities, we also own three hospitality properties and own and operate a shopping mall and office complex. Our Subsidiaries and Other Development Entities engage our Company to provide EPC services for the development of their projects and independently, we also provide EPC services to third parties.

We commenced our business and operations primarily as an EPC company in 1986, however, in the past few years have diversified into real estate development and owning and operating selected projects. According to a survey conducted by the Construction World publication in June 2007, we are amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land to EPC and sales and marketing of our project, to operation of our completed projects.

We have significant experience in engineering, procurement and construction, and have constructed factories, hospitals, hotels, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings. We provide EPC services for our own projects as well as to third parties. Our third party EPC clients have included well-known Indian and multi-national companies such as Cipla Limited, Emcure Pharmaceuticals Limited, Zensar Technologies, Kirloskar Brothers Limited, Symbiosis, Syngenta India Limited and Okasa Pharma Private Limited. We have also provided EPC services to our own projects, such as Marigold, Marisoft Annex, Weikfield ITCiti Infopark and Zircon. As of October 31, 2007, we have completed an aggregate of 135 EPC Contracts, with a total contract value of Rs. 5,552.50 million, out of which 119 EPC Contracts were for third parties, with a total contract value of Rs. 4,355.78 million and 16 EPC Contracts were for projects developed by us or our Other Development Entities, with a total contract value of Rs. 1,196.72 million. As on October 31, 2007, we are engaged in 36 EPC Contracts, with an estimated total contract value of Rs. 11,899.20 million and Order Backlog of Rs. 10,740.69 million out of which 26 EPC Contracts were for third parties with Order Backlog of Rs. 7,056.78 million and 10 EPC Contracts were for projects developed by us or our Other Development Entities with Order Backlog of Rs. 3,683.91 million.

Our real estate development business comprises of development of residential and office complexes as well as shopping malls, multiplexes, hotels, IT parks and other buildings, directly and through our Subsidiaries and Other Development Entities, and caters to customers with a diverse range of income groups. Our Ongoing and Forthcoming Projects are spread over five states. As of October 31, 2007, we and our Other Development Entities have completed an aggregate of 36 real estate development projects, with an aggregate Saleable Area of over 3.39 million square feet. In addition, we have sold land and land development rights aggregating to over 1.69 million square feet in Saleable Area. We and Other Development Entities are in the process of developing an additional 45 projects, with an aggregate Saleable Area of over 34.69 million square feet.

For some of our projects, we not only provide EPC and real estate development services, but also continue to own or operate such projects subsequent to their completion. For example, we currently own the Vista do Rio and Galaxy resorts in Goa and the Golden Suites service apartment complex in Pune, and own a 50.00% interest in the Marigold Premises Private Limited, which owns and operates the Mariplex mall and office complex. In addition, we are in the process of developing two hotels in Pune through entities in which we hold 26.00% and 37.50% equity interests respectively. Such business is expected to provide us with a steady source of revenues from leasing and hospitality operations.

As of June 30, 2007, we had consolidated total income of Rs. 1,380.43 million and consolidated net profit, as restated, of Rs. 58.83 million and for the fiscal year 2007, we had consolidated total income of Rs. 3,992.45 million and consolidated net profit, as restated, of Rs. 473.10 million.

Strengths

Significant experience and strong track record

We have significant experience in engineering, procurement and construction, and have established a strong track record of designing and constructing a diverse range of projects. In over 20 years of experience in EPC business, we have constructed factories, hospitals, hotels, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings, constructing 135 projects with value of Rs. 5,552.50 million as of October 31, 2007. Our EPC clients have included well-known Indian and multi-national companies such as Cipla Limited, Emcure Pharmaceuticals Limited, Zensar Technologies, Kirloskar Brothers Limited, Symbiosis, Syngenta India Limited and Okasa Pharma Private Limited. In addition, we and our Other Development Entities, have developed and completed 36 projects aggregating to 3.39 million square feet of Saleable Area, such as the office complex in Pune, the Marigold residential complex, the Marisoft IT park in Kalyani Nagar, Pune and the Vista do Rio and Galaxy resorts in Goa. Our real estate development business comprises of development of residential and office complexes as well as shopping malls, multiplexes, hotels, IT parks and other buildings, directly and through our Other Development Entities. We and our Other Development Entities also own and operate a select range of properties, and cater to customers with a diverse range of income groups.

Quality and strength of execution

We have a track record of developing and constructing high quality and innovative projects in a timely manner. We have established dedicated teams and processes to bid for, design and engineer, procure materials for and construct our projects in a cost-effective and quality-controlled manner. We have commenced the implementation of SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs. We employ pre-stressed concrete technology as it increases the load bearing capacity of concrete columns and reduces total costs because fewer columns are used.

Our quality control department consists of 30 engineers. We obtained the ISO 9001:2000 certification in 2003 and the ISO 14001:2004 certification for environmental procedures in 2006. In addition to our commitment to quality, we focus on timely completion of projects, and have completed a number of projects ahead of schedule. We are often required to build projects on a tight timetable to comply with our customers' obligations to their clients. For example, we built a software park for Mphasis in 95 days to facilitate their business commitments to their clients. The completion date for this project was ahead of schedule, and as a result, we were provided an early completion performance award. We also completed an educational facility for Symbiosis much before our documented completion date to enable them to comply with their commitments.

Emphasis on innovative and theme-based developments

We believe that innovation is the key to being successful in real estate development business. As such, not only do we focus on design and quality, but are committed to introducing innovations in our projects. We utilise the experience and skills of our engineering, architecture, management and project execution teams to plan and carry out innovative developments that maximize the use of land and minimize the use of power and other natural resources, including raw materials and water. We have introduced concepts such as dual feeder electricity supply and automated temperature control systems in our projects to reduce the consumption of electricity. Over the last few years, we also introduced post-tensioned concrete technology in almost all our commercial projects.

In addition, we build our projects with themes, such as the Golden Nest residential complex which caters to senior citizens. Our integrated township, Marigold, contains apartment buildings, bungalows, a shopping mall, an entertainment complex, hospitality space and an IT park. We have commenced the development of Windmere, an ultra-luxury apartment complex. Our commitment to quality and innovativeness is exemplified by a number of awards such as the merit award for innovative design and development of a new project (with respect to the Nucleus mall in Pune) at the 30th ICSC International Design and Development Awards and five Builders Association of India regional awards for residential and commercial complexes.

Qualified and proven project teams and experienced management

We believe that a skilled and motivated employee base is essential for our competitive advantage. Our EPC Contracts and our project development business require us to evaluate new projects, accurately estimate costs, and design, construct and deliver projects in a cost effective, quality-controlled and timely manner. As such and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest considerable resources in the development of the expertise and know-how of our employees as well as in employee satisfaction. As a result, we believe that our attrition rate is low. As of October 31, 2007, we have a team of 486 employees, including 321 employees in engineering and 16 employees in architecture and design. The skill and diversity of our employees gives us the flexibility to adapt to the needs of our customers.

Our management has been responsible for the growth of our business and operations. Our qualified and well-experienced key management personnel team comprises of 16 individuals responsible for and heading various aspects of our projects and business such as tendering, procurement and hotel projects.

Established brand name

In over two decades of operations, we have established a well-recognized brand name in our business. From our inception we have established a corporate culture in our organization and endeavour to follow high ethical standards. We believe our customers associate our brand name with quality, transparency, reliability, ethics and value. We have developed long-term relationships with our retail and corporate customers as well investors in the real estate market, joint venture parties, sub-contractors and suppliers, and in our EPC business, enjoy repeat business with many of our EPC customers. Our strong brand presence in EPC business has facilitated our entry into joint ventures and assisted us in building our real estate development business. We focus on customer satisfaction, including by having a customer relationship executive for each project to provide a single point of contact for our customers, by being sensitive and flexible to the needs of our customers.

Effective development structure to optimize resources

We generally enter into joint development agreements and/or joint ventures with land-owners to acquire development rights to their land in exchange for a pre-determined portion of revenues or profits generated from the projects. This business model enables us to have development rights to significant parcels of land without having to invest large amounts of money to purchase such land. Our joint development agreements provide us with significant control over all aspects of the development and sales of our projects. In addition, in case of our Other Development Entities, we either own a majority interest in or control such entities. As a result, we have management control over our projects and can control all important business decisions relating to such projects. In addition, our Company provides any and all EPC services to our real estate development projects. As such, we are able to closely monitor the management and operations of our projects, as well as to apply a uniform management philosophy, including standardized processes for accounting, finance, marketing and sales, business and management review, to such businesses. As a result, we believe we are better able to optimize revenues and minimize operational, capital and other costs.

Strategy

Diversify geographically into new locations

A large percentage of the population of India is located in non-metropolitan cities and towns, particularly Tier II and Tier III cities, in India. In addition, most metropolitan cities have in the recent past undergone significant real estate price increases and intense development and competition, limiting project opportunities and profit margins and increasing risks. As such, we began to and continue to diversify into high growth but non-metropolitan regions across the country such as Nasik, Coimbatore, Aurangabad, Chandigarh and Belgaum. Although historically, a majority of our projects have been located in Pune, in the fiscal year 2007, our total income generated from projects located in cities and towns other than Pune increased when compared to fiscal year 2006, and we expect such percentage to continue to increase. We anticipate that the increase in economic activity in non-metropolitan cities and towns will result in an

increase in demand for real estate development in such regions and provide us with an early mover advantage.

Continue to focus on real estate development projects

Prior to 1998, we were primarily an EPC contract company. Within the past nine years, we have diversified into and focused on real estate development. We intend to continue to build our real estate development business and are committed to developing a diverse range of projects such as residential and office complexes, shopping malls, multiplexes, hotels, IT parks, community centres and other buildings. As of October 31, 2007, we and our Other Development Entities have already completed an aggregate of 36 real estate development projects and are in the process of developing 45 Ongoing and Forthcoming Projects. We believe, while real estate development, particularly commercial real estate development, requires significant amounts of working capital, the opportunities to grow our revenues and profit in both commercial and residential real estate development business are significant.

We recognize that land reserves are critical to this strategy, and as such, have developed our business model of entering into joint ventures and joint development agreements with land-owners and other financial investors to provide for land for our real estate development projects. We intend to continue to selectively enter into joint ventures and joint development agreements to increase the amount of land available to us for development. This model also assists in reducing our working capital investment and effectively utilizing our EPC and sales and marketing capabilities.

Maintain high standards of quality and reliability

We believe that we have acquired a reputation for undertaking quality construction projects and completing them on a timely basis. We intend to continue to focus on performance and quality and timely project execution in order to seek to maximize customer satisfaction in both our EPC and real estate development businesses. We intend to continue to use technological tools and processes and strengthen our quality control team. We also intend to continue to further enhance our engineering, architecture, design, construction and development teams to enable us to provide innovative and superior design and engineering in our projects and services.

Optimize product mix

We intend to take advantage of the significant growth opportunities in the Indian real estate sector. We intend to do so by not only diversifying into new locations and real estate development business but also by optimizing our businesses and resources. For example, in our EPC business, we selectively outsource the engineering and architecture of projects to third parties to take advantage of the expertise of reputed international firms and enhance the design and technology of our projects. While we currently construct all of our real estate development projects, in future we may decide to selectively outsource portions of our construction work as well. For instance, we may tie up with reputable multinational corporations to make use of and learn from their design and project management capabilities in our future projects, with our company taking on purely construction work.

In addition, we sell or lease completed properties in our real estate developments depending upon type of property as well as market conditions. Within our commercial developments, such as office complexes, IT parks and shopping malls and multiplexes (other than hotels), we and our Other Development Entities, have sold as well as leased properties to our customers, while in our residential developments we have generally sold properties, often prior to completion. We also intend to generate profits from our interests in our Other Development Entities that own or operate an aggregate of six hospitality properties. This flexibility enables us to generate steady revenue streams from leasing and hospitality business, as well as capture appreciation in the market value of the project upon sale of property.

Industry Overview

For further details refer to "Industry" page 41.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the year ended March 31, 2007 and 2006 and for three months ended June 30, 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 149. The summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 219. The summary 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 CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

Rs in Million

PARTICULARS		As At 30-Jun-07	AS AT MARCH 31, 2007	2006
Fixed Assets				
Gross Block		705.98	434.96	243.57
Less: Accumulated Depreciation		108.60	96.21	69.40
Net Block		597.38	338.75	174.17
Less: Revaluation Reserve		-	-	-
Net Block after adjustment for Revaluation Reserve		597.38	338.75	174.17
Capital WIP including Capital Advances		53.09	259.79	0.55
Total	**(a)**	650.47	598.54	174.72
Intangible Assets	**(b)**	44.19	10.70	-
Investments	**(c)**	408.59	466.30	57.49
Current Assets, Loans and Advances				
Inventories		2,116.23	1,814.08	1,206.47
Sundry Debtors		1,274.12	1,362.34	551.20
Cash and Bank Balances		157.37	188.65	102.28
Other current Assets		241.89	123.38	81.29
Loans and Advances		2,276.97	1,544.85	498.40
Total	**(d)**	6,066.58	5,033.30	2,439.64
Total Assets [a+b+c+d]	**(e)**	7,169.83	6,108.84	2,671.85
Liabilities & Provisions				
Secured Loans		534.67	301.91	534.01
Unsecured Loans		1,395.32	972.03	707.34
Current Liabilities		2,199.21	1,917.26	724.11
Provisions		409.18	374.92	183.44
Deferred Tax Liability		15.21	5.83	10.03
Minority Interest		74.45	54.15	-
Total	**(f)**	4,628.04	3,626.10	2,158.93
Net Worth [e-f]		2,541.79	2,482.74	512.92
Net Worth represented by				
Share Capital		709.66	354.83	301.60
Reserves and Surplus		1,832.13	2,127.91	211.32
Share Application Money				
Less: Revaluation Reserve		-	-	-
Reserves and Surplus (Net of Revaluation Reserve)		1,832.13	2,127.91	211.32
Less: Miscellaneous Expenditure		-	-	-
(to the extent not written off or adjusted)				
Net Worth		**2,541.79**	**2,482.74**	**512.92**
Note:				
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report				

SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES AS RESTATED

PARTICULARS	For the period ended	For the year ended as on March 31,	
	June 07	2007	2006
Operating Income	Rs in Million	Rs in Million	Rs in Million
Sales			
Gross Sales (Refer Note V 6)	1,243.37	3,893.03	1,435.53
Less: Work Contract Tax / VAT Collected	(15.59)	(50.66)	(19.07)
Less: Service Tax Collected	(13.79)	(60.76)	(52.00)
Increase/ (Decrease) in Unbilled Revenue	118.51	44.08	6.58
Turnover (Net)	1,332.50	3,825.69	1,371.04
Other Operating Income			
Rent Earned	12.53	33.34	10.71
Share of Profit From a Partnership Firm/AOP	15.57	70.38	1.59
Management Fees	-	2.53	-
Income From Resorts/Multiplex	11.07	18.75	-
	39.17	125.00	12.30
Total Operating Income	1,371.67	3,950.69	1,383.34
Other Income	8.76	41.76	47.26
TOTAL INCOME	**1,380.43**	**3,992.45**	**1,430.60**
Cost of Sales	1,107.20	2,984.87	1,017.03
Employees Cost	53.48	110.69	74.70
Operating and Administrative Cost	65.83	150.52	64.16
Share of Loss from Associates	0.09	1.36	-
Finance Cost	28.07	39.29	30.99
Depreciation	12.39	27.68	18.90
TOTAL EXPENDITURE	**1,267.06**	**3,314.41**	**1,205.78**
Profit Before Tax	113.38	678.05	224.81
Less : Provision For			
Current Tax	44.83	206.22	98.78
Deferred Tax	(0.67)	5.56	(2.07)
Fringe benefit Tax	0.34	1.40	1.10
	44.50	213.18	97.81
Net Profit After Tax	68.88	464.87	127.00
Add:(Less) Prior Year Adjustments	-	-	-
Net Profit Before Adjustment	68.88	464.87	127.00
ADJUSTMENTS:			
Adjustments on account of Restatements	-	(1.83)	3.23
Adjustments on account of Restatements (Prior Period)	-	-	-
Current Tax Adjustments	-	0.32	0.18
Deferred Tax Adjustments	(10.05)	9.74	(0.39)
Total of Adjustments	(10.05)	8.23	3.02
Net Profit As Restated	58.83	473.10	130.02
Profit and Loss Amount at the beginning of the year	657.11	174.56	251.71
Balance available for Appropriatian, As Restated	715.94	647.66	381.73
APPROPRIATIONS			
As per Audited Accounts			
Transfer to General Reserve	(0.90)	(1.55)	(15.80)
Dividend on Preference - Paid/Provided	-	-	(10.66)
Income /(Loss) from Associates	-	-	-
Tax on Dividend - Preference	(0.42)	(0.12)	(1.20)
Minority Interest	0.58	2.11	-
Issue of Bonus shares	(317.27)	-	(192.00)
Pre-Acquisition profit	0.06	9.01	-
Adjustment on Restatement			
Dividend on Preference Shares	-	-	4.00
Tax on Dividend on Preference Shares	-	-	0.27
Transfer to Investment Account	-	-	8.22
Total Appropriation As Restated	**(317.95)**	**9.45**	**(207.17)**
BALANCE CARRIED FORWARD AS RESTATED	**397.99**	**657.11**	**174.56**

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED

Rs in Million

PARTICULARS	As At 30-Jun-07	AS AT MARCH 31, 2007	2006
Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Year Adjustments	**113.38**	**676.22**	**228.04**
Adjustments for :			
Depreciation	12.39	27.68	18.90
(Profit) / Loss on Sale of Assets	-	(21.31)	(3.09)
(Profit) / Loss on Sale of Investments	(0.13)	(0.53)	(28.26)
Share of Loss in Associates	0.09	1.36	
Deferred Expenses Written off	-	0.90	0.67
Write off/Other Adjustments	10.68	-	0.36
Interest Income	(6.37)	(8.62)	(10.69)
Dividend Income	(0.84)	(7.11)	(0.57)
Interest Expense	28.07	39.29	30.99
Provision for Doubtful Debts	4.47	2.40	-
Operating Profit before Working Capital changes	**161.74**	**710.28**	**236.35**
Movements in Working Capital			
Decrease/ (Increase) in Inventories	(302.15)	(219.98)	(886.99)
Decrease/ (Increase) in Sundry Debtors	83.75	(876.67)	(150.19)
Decrease/ (Increase) in Other Current Assets	(118.51)	(41.80)	(6.78)
Decrease/ (Increase) in Loans and Advances	(555.34)	(456.65)	(10.77)
Withdrawal /(Investments) in Partnership Firm	(87.50)	(103.47)	33.39
Increase /(Decrease) in Trade Payables	288.67	1,209.73	293.55
Cash generated from Operations	(529.34)	221.44	(491.44)
Direct Taxes paid (net of refunds)	(98.61)	(155.45)	(72.92)
Prior Year Expenses	-	-	-
Cash Flow before Extraordinary Items	**(627.95)**	**65.99**	**(564.36)**
Less: Extraordinary Item	-	-	-
Net cash from operating activities (A)	**(627.95)**	**65.99**	**(564.36)**
Cash flow from investing activities			
Purchase of Fixed Assets	(64.33)	(380.93)	(70.08)
Disposal of Fixed Assets	-	46.52	3.87
Purchase of Investments	(110.70)	(254.31)	0.12
Disposal of Investments	136.61	2.75	129.85
Decrease/ (Increase) in Loans and Advances	-	(542.89)	(44.12)
Share of Loss (Profit) In Associates	(0.09)	(1.36)	-
Interest Received	6.37	8.62	10.69
Dividend Received	0.84	7.11	0.57
Net Cash from Investing Activities (B)	**(31.30)**	**(1,114.49)**	**30.90**
Cash Flow from Financing Activities			
Proceeds from issuances of Share Capital	-	1,384.50	100.00
Redemption of Preference Capital	-	-	(100.08)
Availment (Repayment) of Long Term Borrowings	656.04	(214.91)	645.21
Interest Paid	(28.07)	(39.29)	(30.99)
Dividends Paid	-	-	(14.59)
Tax on Dividend Paid	-	-	(1.85)
Net Cash from Financing Activities (C)	**627.97**	**1,130.30**	**597.70**
Net increase in cash and cash equivalents (A+B+C)	**(31.28)**	**81.80**	**64.24**
Cash and Cash Equivalents at the beginning of the year	188.65	102.28	27.43
Cash and Cash Equivalents	-	4.57	10.61
Cash and Cash Equivalents at the end of the year	**157.37**	**188.65**	**102.28**
Components of Cash and Cash Equivalents	**As At 30-Jun-07**	**As At 31 March 2007**	**2006**
Cash on Hand	19.08	9.47	3.47
With Banks - on Current Accounts	120.63	168.35	94.01
- on Deposit Accounts	17.66	10.83	4.80
Components of cash and cash equivalents at the end of the year	**157.37**	**188.65**	**102.28**

Note: The above Cash Flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountant of India

THE ISSUE

Equity Shares offered:	
Issue by the Company*	10,680,000 Equity Shares of face value of Rs. 10 each
Of which	
A) Qualified Institutional Buyers (QIB) portion	At least 6,408,000 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Of which	
Available for allocation to Mutual Funds only	320,400 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Balance for all QIBs including Mutual Funds	6,087,600 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
B) Non-Institutional Portion	Not less than 1,068,000 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
C) Retail Portion	Not less than 3,204,000 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	72,614,706 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	83,294,706 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue (assuming the outstanding vested options are completely exercised)	83,628,206 Equity Shares of face value of Rs. 10 each
Use of Issue Proceeds	See the section titled “Objects of the Issue” on page 28.

** A Pre-IPO Placement of up to 2,000,000 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 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*

GENERAL INFORMATION

We were originally incorporated on January 1, 1986 as a private limited company under the provisions of the Companies Act, 1956 as Vascon Engineers Private Limited. We became a deemed public company by virtue of Section 43A of the Companies Act with effect from August 25, 1997 and was renamed as Vascon Engineers Limited.

Consequent to the amendment of Section 43A of the Companies Act, we became a private limited company with effect from January 16, 2001. Pursuant to a resolution of our shareholders on December 7, 2006, we got converted to a public limited company with effect from December 7, 2006. A fresh certificate of incorporation consequent on the change of our name was granted to us on December 20, 2006 by the ROC.

Registered Office

15/16, Hazari Baug
L.B.S. Marg
Vikhroli (W)
Mumbai 400 083
CIN: U70100MH1986PLC038511
Tel: (91 22) 2578 1143
Fax: (91 22) 2579 6333
Email: compliance.officer@vascon.com
Website: www.vascon.com

Corporate Office

201, Phoenix
Bund Garden Road
Pune 411 001
Tel: (91 20) 2612 8336
Fax: (91 20) 2613 1071
Email: compliance.officer@vascon.com
Website: www.vascon.com

Address of Registrar of Companies

The Registrar of Companies, Maharashtra
100, Everest
Marine Drive
Mumbai 400 002

Board of Directors of the Issuer

Sr. No.	Name and Designation	Age	Address
1.	R. Vasudevan *Managing Director*	55	Plot 315, The Woods Vatsalaya Koregaon Park Pune 411 014 Maharashtra
2.	Amar Lulla *Non-Executive Director*	59	131, Maker Towers 'L' Cuffe Parade G.D. Somani Marg Mumbai 400 005 Maharashtra
3.	K.G. Krishnamurthy *Non-Executive Director* Nominee director of HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund	51	Flat 403, Meru Heights 268, Telang Road Matunga Mumbai 400019 Maharashtra

Sr. No.	Name and Designation	Age	Address
4.	V. Mohan *Independent Director*	56	Waman 46/3, Garodia Nagar Ghatkopar (East) Mumbai 400 077 Maharashtra
5.	Ameet Hariani *Independent Director*	47	62B, Pedder Road Mumbai 400 026 Maharashtra
6.	R. Kannan *Independent Director*	48	1202, Ixora, Banyan Drive, Hiranandani Meadows, Gladys Alwares Road, Off. Pokhran Road No. 2, Thane (West) 400 610 Maharashtra

For further details of our Directors, see the section titled "Our Management" on page 120.

Company Secretary and Compliance Officer

M. Krishnamurthi
201, Phoenix
Bund Garden Road
Pune 411 001
Tel: (91 20) 2612 8336
Fax: (91 20) 2613 1071
Email: compliance.officer@vascon.com

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

Book Running Lead Managers

Book Running Lead Managers	
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: vascon.ipo@kotak.com Investor grievance id: kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole	***DSP Merrill Lynch Limited*** Mafatlal Center, 10th Floor Nariman Point, Mumbai 400 021 Tel. : (91 22) 6632 8000 Fax. : (91 22) 2204 8518 Email: vascon_ipo@ml.com Website: www.dspml.com Contact Person: Mr. N.S. Shekar

Domestic legal advisor to the Company
AZB & Partners Express Towers 23rd Floor Nariman Point Mumbai 400 021 Tel: (91 22) 6639 6880 Fax: (91 22) 6639 6888

Domestic legal advisor to the BRLMs	
Amarchand & Mangaldas & Suresh A. Shroff & Co. Fifth Floor, Peninsula Chambers Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel Mumbai 400 013 Tel: (91 22) 2496 4455 Fax: (91 22) 2496 3666	201, Midford House Midford Garden (Off M. G. Road) Bangalore 560 001 Tel: (91 80) 2558 4870 Fax: (91 80) 2558 4266

International legal advisor to the BRLMs

Jones Day
30 Cecil Street
#29-01 Prudential Tower
Singapore 049712
Tel : (65) 6538 3939
Fax: (65) 6536 3939

Legal counsel to the Issue for Land Summarization

Hariani & Co, Advocates and Solicitors
Alli Chambers, Ground Floor,
Homi Mody
2nd Cross Lane, Fort
Mumbai 400 023
Tel: (91 22) 6635 6723/24
Fax: (91 22) 2255 6823
Email: mumbai@h-and-co.com
Contact Person: Ameet Hariani

Expert Opinion in relation to Saleable Area for Real Estate Development Projects

Chandrakishor Rahatekar
Architects Planners Interior Designors
3025/9, Senapati Bapat Road
Shivajinagar
Pune 411 016.
Tel: (91 20) 2567 8807
Fax: (91 20) 2567 0952
Email: cb_rahatekar@vsnl.net
Contact Person: Chandrakishor Rahatekar

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24
Vithalrao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815-18
Fax: (91 40) 2343 1551
Email: vasconipo@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna

Bankers to the Issue and Escrow Collection Banks

[●]

Refund Banker

[●]

Bankers to the Company

HDFC Bank Limited
5th Floor, Atur Chambers
Opposite SGS Mall,
Moledina Road
Pune 411 001
Tel: (91 20) 4007 0075
Fax: (91 20) 4007 0074
Email:manoj.revdekar@hdfcbank.com;
bhaskar.trivedi@hdfcbank.com
Contact Person: Manoj Revdekar and Bhaskar Trivedi

State Bank of India
Tara Chambers,
Wakdewadi,
Mumbai Pune Road
Pune 411 003
Tel: (91 20) 2581 2326
Fax: (91 20) 2581 8373
Email: sanjay.pandit@sbi.co.in
Contact Person: Shrikant Kothalkar

Auditors	
Anand Mehta & Associates	
Chartered Accountants 29, Khemji Meghji House 3rd Floor, 11/15, Issaji Street, Vadgadi Mumbai 400 003 Tel: (91 22) 2340 0882 Fax: (91 22) 2342 0195 Email: amcon.mumbai@amcount.com Contact Person: Mr. Kulin Mehta	B/5 Shardaram Park, 34 Sasson Road, Opp Dominos Pizza, Pune 411 001, Tel : (91 20) 2611 3256 Fax: (91 20) 2611 3824 Email amcon.pune@amcount.com Contact Person: Mr. Kulin Mehta

Monitoring Agency

There is no requirement for a monitoring agency for the Issue pursuant to Clause 8.17 of the SEBI Guidelines.

IPO Grading Agency
CRISIL Limited
1061, Solitare Corporate Park
151, Andheri Kurla Road
Andheri (East)
Mumbai 400 093
Tel: (91 22) 6758 8023
Fax: (91 22) 6758 8088
Email: tvishal@crisil.com
Website: www.crisil.com
Contact Person:Vishal Thakkar

List of Responsibilities between the Book Running Lead Managers

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

	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments etc.	KMCC, DSPML	KMCC
2.	Due diligence of our Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red Herring Prospectus and 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 finalization of Prospectus and RoC filing of the same.	KMCC, DSPML	KMCC
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films etc.	KMCC, DSPML	DSPML
4	Appointment of intermediaries	KMCC, DSPML	DSPML
5	Institutional Marketing of the Offer, which will cover, *inter alia,* – Preparing roadshow presentation and FAQs – Finalizing the list and division of investors for one to one meetings; and – Finalizing road show schedule and investor meeting schedules	KMCC, DSPML	DSPML
6	Non-Institutional and Retail Marketing of the Offer, which will cover, *inter alia,* – Formulating marketing strategies, preparation of publicity budget; – Finalizing Media and PR strategy; – Finalizing centres for holding conferences for brokers etc.; – Finalizing collection centres; – Follow-up on distribution of publicity and Offer material	KMCC, DSPML	KMCC

	Activities	Responsibility	Co-ordinator
	including form, prospectus and deciding on the quantum of the Offer material; and		
7	Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading	KMCC, DSPML	DSPML
8	The post bidding activities including management of escrow accounts, 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 finalization 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.	KMCC, DSPML	DSPML

Even if many of these activities will be handled by other intermediaries, the 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, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by CRISIL Limited as experts as [●], pursuant to clauses 2.5A, 5.6B and 6.17.3A of the SEBI Guidelines.

Trustees

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:

1. The Company;

2. The BRLMs;

3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;

4. Registrar to the Issue; and

5. Escrow Collection Banks.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), 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.

Pursuant to recent amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Please refer to the section titled "Terms of the Issue" on page 271.

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.

While the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors 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 as shown 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 Book Running Lead Managers 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 (see section titled "Issue Procedure - Who Can Bid" on page 277);

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

3. If your Bid is for Rs. 50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see the section titled "Issue Procedure - 'PAN' or 'GIR' Number" on page 289); and

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.

5. Bids by QIBs will have to be submitted only to the BRLMs.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue any time after the Bid/Issue Opening Date without assigning any reason therefor.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**[●], 2008**
BID/ISSUE CLOSES ON	**[●], 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (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) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. 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 1.00 p.m, (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

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

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

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

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with the RoC, we 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 Members does not fulfil its 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	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar 229, Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517	[●]	[●]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
DSP Merrill Lynch Limited Mafatlal Center, 10th Floor Nariman Point, Mumbai 400 021 Tel. : (91 22) 6632 8000 Fax. : (91 22) 2204 8518	[●]	[●]
Kotak Securities Limited 3rd Floor, Bakhtawar 229, Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 6630 3927	[●]	[●]

The above mentioned 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 above-mentioned 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 the Company.

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

CAPITAL STRUCTURE

The share capital of the Company as of the date of this Draft Red Herring Prospectus is set forth below:

(in Rs.)

	Aggregate Value at nominal value	Aggregate Value at Issue Price
A) **AUTHORISED SHARE CAPITAL**		
100,000,000 Equity Shares of Rs. 10 each[(1)]	1,000,000,000	
B) **ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
72,614,706 Equity Shares of Rs. 10 each	726,147,060	
C) **ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS*[(2)]**		
10,680,000 Equity Shares of Rs. 10 each fully paid up	106,800,000	[•]
D) **EQUITY CAPITAL AFTER THE ISSUE**		
83,294,706 Equity Shares of Rs. 10 each fully paid up	832,947,060	[•]
E) **EQUITY CAPITAL AFTER THE ISSUE (ASSUMING ALL THE OUTSTANDING VESTED OPTIONS ARE EXERCISED)** [(3)]		
83,628,206 Equity Shares of Rs. 10 each fully paid up	836,282,060	
F) **SHARE PREMIUM ACCOUNT**		
Before the Issue	1,331,276,470	
After the Issue	[•]	

** A Pre-IPO Placement of up to 2,000,000 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 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.*

(1) Changes in the Authorised Share Capital of our Company since Incorporation

a. The authorized share capital of our Company was increased from Rs.0.10 million divided into 1,000 equity shares of Rs.100 each to Rs.1.00 million divided into 10,000 equity shares of Rs.100 each pursuant to a resolution of the shareholders of the Company dated April 28, 1989.

b. The authorized share capital of our Company was further increased from Rs.1.00 million divided into 10,000 equity shares of Rs. 100 each to Rs. 5.00 million divided into 50,000 equity shares of Rs.100 each pursuant to a resolution of the shareholders of the Company dated September 30, 1993.

c. The authorized share capital of our Company was further increased from Rs. 5.00 million divided into 50,000 equity shares of Rs. 100 each to Rs. 10.00 million divided into 100,000 equity shares of Rs.100 each pursuant to a resolution of the shareholders of the Company dated November 29, 1996.

d. The authorized share capital of our Company was further increased from Rs.10.00 million divided into 100,000 equity shares of Rs. 100 each to Rs. 105.00 million divided into 100,000 equity shares of Rs.100 each and 950,000 preference shares of Rs. 100 each pursuant to a resolution of the shareholders of the Company dated March 25, 2002.

e. The authorized share capital of our Company was further increased from Rs. 105.00 million divided into 100,000 equity shares of Rs.100 each and 950,000 preference shares of Rs. 100 each to Rs.110.10 million divided into 100,000 equity shares of Rs.100 each

and 1,001,000 preference shares of Rs. 100 each pursuant to a resolution of the shareholders of the Company dated March 26, 2004.

f. The existing 100,000 equity shares of Rs. 100 each were sub-divided into 1,000,000 Equity Shares of Rs. 10 each and the authorized share capital of our Company was further increased from Rs.110.10 million divided into 1000,000 Equity Shares of Rs.10 each and 1,001,000 preference shares of Rs. 100 each to Rs.700.00 million divided into 50,000,000 Equity Shares of Rs. 10 each and 2,000,000 preference shares of Rs.100 each pursuant to a resolution of the shareholders of the Company dated October 14, 2005.

g. The authorized share capital of our Company was further increased and reclassified from Rs.700.00 million divided into 50,000,000 Equity Shares of Rs. 10 each and 2,000,000 preference shares of Rs.100 each to Rs.1,000.00 million divided into 100,000,000 Equity Shares of Rs.10 each pursuant to a resolution of the shareholders of the Company dated June 11, 2007.

(2) This Issue has been authorized by a resolution of our Board of Directors dated September 19, 2007 and a resolution of our shareholders dated October 23, 2007.

(3) The Equity Share capital of our Company after the Issue, assuming full exercise of all outstanding options which have been vested and are yet to be exercised i.e. 333,500 options, under the ESOP 2007, will comprise 83,628,206 Equity Shares. For details see Note 7 of 'Capital Structure – Notes to Capital Structure' on page 18.

(4) We have sought a confirmation from the DIPP by letter dated April 27, 2007, on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

Notes to Capital Structure:

1. **Share capital history of the Company**

(a) Equity share capital history

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
January 1, 1986	20	100	100	Cash	Subscribers to Memorandum(1)	20	2,000	Nil
January 10, 1986	20	100	100	Cash	Preferential allotment(2)	40	4,000	Nil
March 28, 1989	720	100	100	Cash	Preferential allotment(3)	760	76,000	Nil
January 1, 1991	990	100	100	Cash	Preferential allotment(4)	1,750	175,000	Nil
July 9, 1991	250	100	100	Cash	Preferential allotment(5)	2,000	200,000	Nil
March 25, 1993	4,000	100	Nil	NA	Bonus in the ratio of 1:2	6,000	600,000	Nil
December 30, 1994	42,000	100	Nil	NA	Bonus in the ratio of 1:7	48,000	4,800,000	Nil
January 31, 1997	48,000	100	Nil	NA	Bonus in the ratio of 1:1	96,000	9,600,000	Nil
October 14, 2005	960,000	10	-	-	Sub-division of 96,000 equity shares of Rs. 100 each to 960,000 Equity Shares of Rs. 10 each	960,000	9,600,000	Nil
October 14, 2005	19,200,000	10	Nil	NA	Bonus in the ratio of 1:20	20,160,000	201,600,000	Nil

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative number of Equity Shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
November 30, 2005	10,000,000	10	10	Cash	Preferential Allotment[6]	30,160,000	301,600,000	Nil
June 21, 2006	3,903,059	10	260.13	Cash	Preferential allotment[7]	34,063,059	340,630,590	976,269,415.50
August 5, 2006	1,419,294	10	260.13	Cash	Preferential allotment[8]	35,482,353	354,823,530	1,331,276,470
June 11, 2007	35,482,353	10	10	N.A.	Bonus in the ratio of 1:1	70,964,706	709,647,060	1,331,276,470
October 25, 2007	1,650,000	10	10	Cash	Allotments pursuant to exercise of vested options[9]	72,614,706	726,147,060	1,331,276,470

(1) Allotment of equity shares of Rs. 100 each to R. Vasudevan and Amar Lulla.
(2) Allotment of equity shares of Rs. 100 each to Farida Hamied and Shirin Hamied
(3) Allotment of equity shares of Rs. 100 each to R. Vasudevan jointly with Lalitha Vasudevan, Amar Lulla jointly with Geeta Lulla, Shirin Hamied, Lalitha Vasudevan joinly with R. Vasudevan, N.R. Moorthy joinly with R. Vasudevan and Thangam Moorthy joinly with R. Vasudevan
(4) Allotment of equity shares of Rs. 100 each to R. Vasudevan jointly with Lalitha Vasudevan, Saga Chemicals Private Limited, Shirin Hamied jointly with L.K. Hameid, Lalitha Vasudevan jointly with R. Vasudevan, N.R. Moorthy joinly with R. Vasudevan and Thangam Moorthy joinly with R. Vasudevan
(5) Allotment of equity shares of Rs. 100 each to Shirin Hamied jointly with L.K. Hameid
(6) Allotment of Equity Shares to Vatsalya Enterprises Private Limited, Premratan Exports Private Limited, Shreeriddhi Chemicals Private Limited and M N Rajkumar Garments Private Limited
(7) Allotment of Equity Shares to HDFC Ventures Trustees Company Limited acting through scheme Hi-Ref of the HDFC Property Fund pursuant to the Shareholders Agreement dated June 21, 2006
(8) Allotment of Equity Shares to HDFC Ventures Trustees Company Limited acting through scheme Hi-Ref of the HDFC Property Fund pursuant to the Shareholders Agreement dated June 21, 2006
(9) Allotment of Equity Shares to R. Vasudevan and N.R. Moorthy pursuant to exercise of vested options under ESOP 2007

(b) Preference share capital history

Date of allotment of the preference shares	No. of preference shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment	Reasons for allotment	Cumulative number of Preference Shares	Cumulative Issued Capital (Rs.)	Cumulative Share Premium (Rs.)
March 27, 2002	840	100	100	Cash	Allotment [1]	840	84,000	Nil
May 8, 2004	1,000,000	100	100	Cash	Further Allotment [2]	1,000,840	100,084,000	Nil
November 25, 2005	1,000,840	100	100	Cash	Redemption	Nil	Nil	Nil

1) Allotment of redeemable preference shares to Vatsalya Enterprises Private Limited, Bellflower Premises Private Limited, Hamcon Engineers Private Limited, Saga Chemicals Private Limited, Premratan Exports Private Limited, Alps Remedies Private Limited (formerly called Alpic Pharma Private Limited), M. N. Rajkumar Garments Private Limited, Hamson Laboratories Private Limited and Shreeriddhi Chemicals Private Limited
2) Allotment of redeemable preference shares to Premratan Exports Private Limited, M. N. Rajkumar Garments Private Limited, Shreeriddhi Chemicals Private Limited and Vatsalya Enterprises Private Limited

2. Promoters' Contribution and Lock-in

All Equity Shares, which are being locked-in are not ineligible for computation of promoters' contribution under Clause 4.6 and 4.11.1 of the SEBI Guidelines.

(a) History of the Share Capital held by the Promoters

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
			R. Vasudevan		
December 18, 1985	10*	100	100	Cash	Subscription to Memorandum

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
March 28, 1989	60[$]	100	100	Cash	Further Allotment
January 1, 1991	70[$]	100	100	Cash	Further Allotment
March 25, 1993	280[$]	100	Nil	Bonus	Bonus Issue (1:2)
December 30, 1994	2,940[$]	100	Nil	Bonus	Bonus Issue (1:7)
January 31, 1997	3,360[$]	100	Nil	Bonus	Bonus Issue (1:1)
December 10, 1998	(1,920)	100	Nil	Gift	Transfer
October 14, 2005	48,000[$]	10	-	-	Subdivision
October 14, 2005	960,000[$]	10	Nil	Bonus	Bonus Issue (1:20)
June 11, 2007	2,419,200[$]	10	Nil	Gift	Transfer
June 11, 2007	3,427,200[$]	10	Nil	Bonus	Bonus Issue (1:1)
October 25, 2007	1,600,000	10	10	Cash	Allotment pursuant to exercise of vested options
TOTAL	**8,454,400**				

* Shares transferred to joint holding of R. Vasudevan and Lalitha Vasudevan by the resolution passed by our Board on January 10, 1986

[$] Jointly held with Lalitha Vasudevan

Lalitha Vasudevan (Jointly with R. Vasudevan)

March 28, 1989	60	100	100	Cash	Further Allotment
January 1, 1991	60	100	100	Cash	Further Allotment
March 25, 1993	240	100	Nil	Bonus	Bonus Issue (1:2)
December 30, 1994	2,520	100	Nil	Bonus	Bonus Issue (1:7)
January 31, 1997	2,880	100	Nil	Bonus	Bonus Issue (1:1)
October 14, 2005	57,600	10	-	-	Subdivision
October 14, 2005	1,152,000	10	Nil	Bonus	Bonus Issue (1:20)
June 11, 2007	1,209,600	10	Nil	Bonus	Bonus Issue (1:1)
TOTAL	**2,419,200**				

N.R. Moorthy

March 28, 1989	60*	100	100	Cash	Further Allotment
January 1, 1991	60*	100	100	Cash	Further Allotment
March 25, 1993	240*	100	Nil	Bonus	Bonus Issue (1:2)
December 30, 1994	2,520*	100	Nil	Bonus	Bonus Issue (1:7)
January 31, 1997	2,880*	100	Nil	Bonus	Bonus Issue (1:1)
October 14, 2005	57,600*	10	-	-	Subdivision
October 14, 2005	1,152,000*	10	Nil	Bonus	Bonus Issue (1:20)
June 11, 2007	(1,209,600)	10	Nil	Gift	Transfer
October 25, 2007	50,000	10	10	Cash	Allotment pursuant to exercise of vested options
TOTAL	**50,000**				

* Jointly held with R. Vasudevan

Thangam Moorthy

March 28, 1989	60*	100	100	Cash	Further Allotment
January 1, 1991	60*	100	100	Cash	Further Allotment
March 25, 1993	240*	100	Nil	Bonus	Bonus Issue (1:2)
December 30, 1994	2,520*	100	Nil	Bonus	Bonus Issue (1:7)
January 31, 1997	2,880*	100	Nil	Bonus	Bonus Issue (1:1)
October 14, 2005	57,600*	10	-	-	Subdivision
October 14, 2005	1152,000*	10	Nil	Bonus	Bonus Issue (1:20)
June 11, 2007	(1,209,600)	10	Nil	Gift	Transfer
TOTAL	**NIL**				

* Jointly held with R. Vasudevan

Amar Lulla

December 18, 1985	10	100	100	Cash	Subscription to

Date of Allotment / Transfer	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Nature of Consideration	Nature of Transaction
					Memorandum
March 28, 1989	240*	100	100	Cash	Further Allotment
Dec 6, 1990	(250)	100	100	Cash	Transfer
TOTAL	**Nil**				
* Includes 40 shares jointly held with Geeta Lulla, 100 shares jointly held with Geeta Lulla on behalf of Sonal Lulla and 100 shares jointly held with Geeta Lulla on behalf of Anisha Lulla					
Vatsalya Enterprises Private Limited					
November 30, 2005	2,500,000	10	10	Cash	Further Allotment
June 11, 2007	2,500,000	10	Nil	Bonus	Bonus Issue (1:1)
TOTAL	**5,000,000**				
Premratan Exports Private Limited					
June 28, 1997	8,600	100	2.08	Cash	Transfer
October 14, 2005	86,000	10	-	-	Subdivision
October 14, 2005	1,720,000	10	Nil	Bonus	Bonus Issue (1:20)
November 30, 2005	2,500,000	10	10	Cash	Further Allotment
January 5, 2006	(1,250,000)	10	10	Cash	Transfer
June 11, 2007	3,056,000	10	Nil	Bonus	Bonus Issue (1:1)
TOTAL	**6,112,000**				
Golden Temple Pharma Private Limited					
September 19, 2007	8,968,000*	10	1.40	Cash	Transfer
TOTAL	**8,968,000**				

* Out of these, 4,484,000 Equity Shares have been transferred at nil consideration.

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

Pursuant to the SEBI Guidelines, an aggregate of 20% of the fully diluted post-Issue capital of the Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue. The details of such lock-in are given below:

	Name	Date of allotment/acquisition and when made fully paid-up	Nature of allotment	Nature of consideration	No. of shares locked in*	Face value (Rs.)^	Issue Price/ Purchase Price (Rs.)	Percentage of post-Issue paid-up capital **
A.	R. Vasudevan (jointly held with Lalitha Vasudevan)	June 11, 2007	Bonus Issue (1:1)	Bonus	3,427,200	10	-	4.10
		June 11, 2007	Transfer	Gift	2,419,200	10	-	2.89
		October 14, 2005	Bonus Issue (1:20)	Bonus	960,000	10	-	1.15
		January 31, 1997	Bonus Issue (1:1)	Bonus	14,400^	10	-	0.02
		December 30, 1994	Bonus Issue (1:7)	Bonus	29,400^	10	-	0.04
		March 25, 1993	Bonus Issue (1:2)	Bonus	2800^	10	-	0.00[&]
		January 1, 1991	Further Allotment	Cash	700^	10	100	0.00[&]
		March 28, 1989	Further Allotment	Cash	600^	10	100	0.00[&]
		December 18, 1985	Subscription to Memorandum	Cash	100^	10	100	0.00[&]
	Sub Total (A)				*6,854,400*			*8.20*
B.	Lalitha Vasudevan (jointly held with R.	June 11, 2007	Bonus Issue (1:1)	Bonus	1,209,600	10	-	1.45
		October 14, 2005	Bonus Issue (1:20)	Bonus	1,152,000	10	-	1.38

	Vasudevan)	January 31, 1997	Bonus Issue (1:1)	Bonus	28,800	10	-	0.03
		December 30, 1994	Bonus Issue (1:7)	Bonus	25,200	10	-	0.03
		March 25, 1993	Bonus Issue (1:2)	Bonus	2400	10	-	0.00[&]
		January 1, 1991	Further Allotment	Cash	600	10	100	0.00[&]
		March 28, 1989	Further Allotment	Cash	600	10	100	0.00[&]
	Sub Total (B)				*2,419,200*			*2.89*
C.	Vatsalya Enterprises Private Limited	June 11, 2007	Bonus Issue (1:1)	Bonus	2,500,000	10	-	2.99
		November 30, 2005	Further Allotment	Cash	2,500,000	10	10	2.99
	Sub Total (C)				*5,000,000*			*5.98*
D	Premratan Exports Private limited	June 11, 2007	Bonus Issue (1:1)	Bonus	2,452,041	10	-	2.93
	Sub Total (D)				*2,452,041*			*2.93*
	TOTAL (A+B+C+D)				**16,725,641**			**20.00**

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

** The lock in has been calculated in accordance with para 15.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000, with reference to the enlarged capital, i.e, 83,628,206 Equity Shares which would arise on exercise of all vested options.

^ The equity shares were subdivided from a face of value of Rs. 100 to face value of Rs. 10 each by way of an resolution passed by our Board dated October 14, 2005.

[&] less than 0.01%

The Promoters contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the SEBI Guidelines. Further, in accordance with Clause 4.13 of the SEBI Guidelines, the Equity Shares issued last to the Promoters have been locked in first.

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to 20% of post-Issue shareholding of our Company, our entire pre-Issue equity share capital consisting of 55,889,065 Equity Shares will be locked-in for a period of one year from the date of Allotment in this Issue.

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

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

3. **The shareholding pattern of our Company**

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

	Pre-Issue		Post-Issue*	
	Number of Equity Shares	**Percentage of Equity Share capital**	**Number of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
R.Vasudevan[(1)]	8,454,400	11.64	8,454,400	10.11
Lalitha Vasudevan[(2)]	2,419,200	3.33	2,419,200	2.89
N.R. Moorthy	50,000	0.07	50,000	0.06
Thangam Moorthy	-		-	-
Amar Lulla	-		-	-
Vatsalya Enterprises Private Limited	5,000,000	6.89	5,000,000	5.98
Golden Temple Pharma Private Limited	8,968,000	12.35	8,968,000	10.72
Premratan Exports Private Limited	6,112,000	8.42	6,112,000	7.31
Sub Total (A)	**31,003,600**	**42.70**	**31,003,600**	**37.07**
Promoter Group				
Sowmya Vasudevan[(3)]	403,200	0.56	403,200	0.48
Siddharth Vasudevan[(3)]	403,200	0.56	403,200	0.48
Dreamz Impex Private Limited	8,968,000	12.35	8,968,000	10.72
Medicreams India Private Limited	6,112,000	8.42	6,112,000	7.31
DNA Pharma Private Limited	8,968,000	12.35	8,968,000	10.72
Orion Lifescience Private Limited	6,112,000	8.42	6,112,000	7.31
Sub Total (B)	**30,966,400**	**42.64**	**30,966,400**	**37.03**
Promoter and Promoter Group Sub Total (A+B)	**61,970,000**	**85.34**	**61,970,000**	**74.10**
Non-Promoter Group				
HDFC Ventures Trustees Limited though Scheme Hi Ref of the HDFC Property Fund	10,644,706	14.66	10,644,706	12.73
Sub Total (C)	**10,644,706**	**14.66**	**10,644,706**	**12.73**
Employees			333,500[∞]	0.40
Public (pursuant to the Issue) (C)	-	-	10,680,000	12.77
Total share capital (A+B+C)	**72,614,706**	**100**	**83,628,206**	**100.00**

***** *Assuming that the non-promoter group shareholders do not apply for, and are not Allotted, Equity Shares in terms of this Issue.*

[∞] Assuming exercise of all vested options granted under ESOP 2007

[(1)] Includes 6,854,400 Equity Shares jointly held with Mrs. Lalitha Vasudevan

[(2)] Equity Shares jointly held with Mr. R. Vasudevan

[(3)] Equity Shares jointly held with Lalitha Vasudevan

For further details of Equity Shares held by our Promoters, see note 1 of "Capital Structure – Notes to Capital Structure" on page 18.

4. **Equity Shares held by top ten shareholders**

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

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage of Pre-Issue Equity shares
1.	HDFC Ventures Trustees Company Limited acting	10,644,706	14.66

Sr. No.	Shareholder	No. of Equity Shares Held	Percentage of Pre-Issue Equity shares
	through Scheme Hi Ref of the HDFC Property Fund		
2.	Golden Temple Pharma Private Limited	8,968,000	12.35
3.	Dreamz Impex Private Limited	8,968,000	12.35
4.	DNA Pharma Private Limited	8,968,000	12.35
5.	R. Vasudevan*	8,454,400	11.64
6.	Premratan Exports Private Limited	6,112,000	8.42
7.	Orion Lifescience Private Limited	6,112,000	8.42
8.	Medicreams India Private Limited	6,112,000	8.42
9.	Vatsalya Enterprises Private Limited	5,000,000	6.89
10.	Lalitha Vasudevan**	2,419,200	3.33

* Jointly with Lalitha Vasudevan
** Jointly with R. Vasudevan

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

Sr. No.	Name	Number of Equity Shares	Percentage
1.	Saga Chemicals Private Limited	3,234,000	16.53
2.	Hamsons Laboratories Private Limited	3,234,000	16.53
3.	Alps Remedies Private Limited (formerly called Alpic Pharma Private Limited)	3,234,000	16.53
4.	Premratan Exports Private Limited	1,806,000	9.23
5.	Shreeriddhi Chemicals Private Limited	1,705,200	8.71
6.	M.N. Rajkumar Garments Private Limited	1,705,200	8.71
7.	N.R. Moorthy*	1,209,600	6.18
8.	Thangam Moorthy*	1,209,600	6.18
9.	Lalitha Vasudevan*	1,209,600	6.18
10.	R. Vasudevan**	1,008,000	5.00

* Jointly with R. Vasudevan
** Jointly with Lalitha Vasudevan

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

The table below sets forth the details of Equity Shares that have been purchased or sold by Promoters and Promoter Group during the period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI:

Transferor	Transferee	Date of Transfer	Number of Equity Shares	Price at which shares purchased (Rs. per share)
N.R. Moorthy, jointly held with R. Vasudevan	R. Vasudevan	June 11, 2007	1,209,600	Nil
Thangam Moorthy, jointly held with R. Vasudevan	R. Vasudevan	June 11, 2007	1,209,600	Nil
Alps Remedies Private Limited	DNA Pharma Private Limited	September 19, 2007	8,968,000(1)	2.79
M N Rajkumar Garments Private Limited	Orion Lifescience Private Limited	September 19, 2007	5,910,400(2)	4.24
Saga Chemicals Private Limited	Golden Temple Pharma Private Limited	September 19, 2007	8,968,000(3)	2.79
Farida Hameid	Orion Lifescience Private Limited	September 19, 2007	201,600	Nil
Shirin Hameid, jointly with L K Hameid	Medicreams India Private Limited	September 19, 2007	201,600	0.01
Shreeridhi Chemicals Private Limited	Medicreams India Private Limited	September 19, 2007	5,910,400(4)	4.24
Hamsons	Dreams Impex Private	September 19,	8,968,000(5)	2.79

Transferor	Transferee	Date of Transfer	Number of Equity Shares	Price at which shares purchased (Rs. per share)
Laboratories Private Limited	Limited	2007		

(1) Out of these, 4,484,000 Equity Shares have been transferred at nil consideration.
(2) Out of these, 2,955,200 Equity Shares have been transferred at nil consideration.
(3) Out of these, 4,484,000 Equity Shares have been transferred at nil consideration.
(4) Out of these, 2,955,200 Equity Shares have been transferred at nil consideration.
(5) Out of these, 4,484,000 Equity Shares have been transferred at nil consideration

6. **Details of Equity Shares held by our Directors, key managerial personnel and directors of our Promoter companies**

The table below sets forth the details of Equity Shares that our held by our Directors and key managerial personnel and directors of our Promoter companies

Sr. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital	Post-Issue Equity Share Capital %
1.	R. Vasudevan	8,454,400(1)	11.64	10.11
2.	Lalitha Vasudevan	2,419,200(2)	3.33	2.89

(1) Includes 6,854,400 Equity Shares jointly held with Mrs. Lalitha Vasudevan
(2) Equity Shares jointly held with Mr. R. Vasudevan

7. Employee stock option plan

ESOP scheme	Outstanding Options	Remarks
ESOP 2007*	333,500	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 2,000,000. The plan was approved by the shareholders of our Company at the meeting held on October 23, 2007.

* There would be no further grant of options under ESOP 2007 with effect from November 5, 2007. Our Promoters do not hold any outstanding options.

Following are the details in relation to options granted under ESOP 2007:

Particulars	Details			
Options granted	1,983,500			
Exercise price of options	Rs. 10			
Total options vested (includes options exercised)	1,983,500			
Options exercised	1,650,000			
Total number of Equity Shares arising as a result of full exercise of options already granted	1,983,500			
Options forfeited/ lapsed/ cancelled	Nil			
Variations in terms of options	Nil			
Money realised by exercise of options	16,500,000			
Options outstanding (in force)	333,500			
Person wise details of options granted to				
i) Directors, Promoters and key managerial employees	**Name of the**	**No. of**	**No. of**	**No. of**
	R. Vasudevan	1,600,000	1,600,000	-
	N.R. Moorthy	50,000	50,000	-
	C. V. Shah	50,000	-	50,000
	S. P. Nair	50,000	-	50,000
	Kumar	40,000	-	40,000
	P. S.	25,000	-	25,000
	D. S.	25,000	-	25,000
	S. Shetty	15,000	-	15,000
	M. T. Badshah	15,000	-	15,000

Particulars		Details			
		M. T. Badshah	15,000	-	15,000
		T. V. Jagdale	10,000	-	10,000
		J. K. Patoli	10,000	-	10,000
		Santhosh Sunderrajan	10,000	-	10,000
		Nitin Khare	10,000	-	10,000
		M. Krishnamurthi	10,000	-	10,000
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	Grant of 1,600,000 options to R. Vasudevan			
iii)	Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Grant of 1,600,000 options to R. Vasudevan			
Fully diluted EPS on a pre-issue basis based on restated unconsolidated financials for the period ended June 30, 2007		0.75			
Vesting schedule		The options granted would vest over a period of three years from the grant of such options and the compensation committee shall have power to determine the terms and conditions of the grant and vesting of the options. Further, the compensation committee shall have the power to determine the vesting period, the vesting schedule and date of vesting of the options. Pursuant to the resolution passed by the compensation committee dated October 23, 2007, all options granted have vested immediately. The options granted to R. Vasudevan and N.R. Moorthy were exercisable with immediate effect. For the remaining vested options, the options can be exercised between October 1, 2010 and October 1, 2013.			
Lock-in		There shall be a three years lock-in period in repect of the shares issued upon exercise of the options			
Impact on profits and EPS of the last three years		There is no impact on the profits and EPS			

Our directors and the key management personnel who have been granted options and Equity Shares on the exercise of the options pursuant to the ESOP 2007 have confirmed to us that they do not intend to sell any shares arising from such options for three months after the date of listing of the Equity Shares in this Issue. Other employees holding Equity Shares at the time of listing of Equity Shares and Equity Shares on exercise of vested options may sell equity shares within the three month period after the listing of the Equity Shares. This disclosure is made in accordance with para 15.3 (b) and 15.3 (c) of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000.

8. Neither the Company, the Promoters, the Directors nor the BRLMs have entered into any buy-back and/or standby arrangements for the purchase of Equity Shares form any person.

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

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

11. There are no outstanding warrants, options or other financial instruments or rights that may entitle any person to receive any Equity Shares in our Company except the options vested under ESOP 2007.

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

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

14. In terms of Rule 19(2)(b) of 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 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 all 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 Allotted to QIBs, then the entire application money will be refunded. 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.

15. Under-subscription, if any, in any category other than the QIB Portion, would be met with spill-over from other categories or combination of categories at the discretion of the Company in consultation with the BRLMs.

16. Over-subsciption to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the basis of Allotment.

17. An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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

19. Subject to the Pre-IPO Placement, we presently do not intend or propose to alter our capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. Additionally, if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for acquisitions or participation in such joint ventures we may enter into and/or we may raise additional capital to fund accelerated growth.

20. We have sought a confirmation from the DIPP by letter dated April 27, 2007, on FIIs being permitted to participate in the Issue under the portfolio scheme.

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

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

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. For details of our related party transactions, see the section titled “Related Party Transactions” on page 145.

24. We have 13 shareholders as of the date of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are to (a) fund construction of our EPC contracts and Ongoing Projects; (b) purchase machinery and equipment; (c) general corporate purposes and (d) achieve the benefits of listing on the Stock Exchanges.

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

Out of the gross proceeds of the Issue of Rs. [●] ("**Gross Proceeds**"), we intend to utilize Rs. [●] ("**Net Proceeds**"), after deducting the Issue related expenses for financing the above mentioned objects.

Requirement and Sources of Funds

The details of the utilization of the Net Proceeds will be as per the table set forth below:

(In Rs. Million)

S. No.	Requirement of Funds	Total cost	Amount paid as on October 31, 2007*	Balance as on October 31, 2007	Estimated amount to be financed from Net Proceeds of the Issue	Estimated Net Proceeds utilization as on March 31,			
						2008	2009	2010	2011
1	Construction of our EPC contracts and Ongoing Projects	2,529.98	58.82	2,471.16	2,471.16	407.74	824.21	925.43	313.78
2	Purchase machinery and equipment	510.39	-	510.39	510.39	127.6	382.79		
3	General corporate purposes	[●]	-	-	[●]	[●]	[●]	[●]	[●]
	Total	[●]	58.82	2,981.55	[●]	[●]	[●]	[●]	[●]

**As per certificate from Anand Mehta & Associates, Chartered Accountants dated November 2 ,2007.*

Means of finance

Sources of Funds	Rs. In Million
Net proceeds of the Issue	[●]*
Total	**[●]***

*To be incorporated after finalisation of Issue Price

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The fund requirement below is based on our current business plan. In view of the highly competitive and dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time. We may also reallocate expenditure to newer projects or those with earlier completion dates in case of delays in our existing projects. Consequently, our fund requirement may also change accordingly. Any 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 at the discretion of the management of our Company. In case of any variations in the actual utilization of funds earmarked for the activities set forth below, increased fund deployment for a particular activity will be met from internal accruals of our Company and debt. The balance proceeds of the Issue, if any, will be used for growth opportunities and general corporate purposes.

Details of the Objects

Construction of our EPC contracts and Ongoing Projects

We are constructing and developing various residential and commercial projects in Karnataka, Punjab and Maharashtra and intend to additionally deploy Rs. 2,471.16 million for the construction of these EPC contracts

S. No.	Name of the Project and Location	Saleable Area (in Sq.ft)	Estimated start year	Estimated completion year	Total Construction Cost	Amount deployed as of October 31, 2007 out of internal accruals	Balance Payable after October 31, 2007	Balance to be Funded out of Net Proceeds of the Issue	Nature of Contract/ Documentation
1	Nucleus Belgaum – Karnataka	150,000	2008	2010	237.00	2.62	234.38	234.38	Single Joint Venture Agreement
2	Nucleus – Zirakpur – Punjab	250,000	2008	2010	402.90	-	402.90	402.90	Single Joint Venture Agreement
3	Excel Hadapsar – Maharashtra	100,000	2007	2009	94.80	-	94.80	94.80	Single Joint Venture Agreement
4	Weikfield – Annex - Maharashtra	100,000	2008	2010	118.50	-	118.50	118.50	Deed of Conveyance
5	Tulips Dwellings - Maharashtra	200,000	2009	2011	189.60	-	189.60	189.60	Purchase order dated October 3, 2007
6	V-Tech - Nashik	700,000	2007	2010	539.18	56.20	482.98	482.98	Purchase order dated December 15, 2006
7	Zenith Ventures - Maharashtra	750,000	2009	2011	948.00	-	948.00	948.00	Purchase order dated October 22, 2007
					2,529.98	58.82	2,471.16	2,471.16	

**As per certificate from Anand Mehta & Associates, Chartered Accountants dated November 2, 2007.*

Purchase of machinery and equipment

We need to make investments in the capital equipments on a regular basis. We intend to use Rs. 510.39 million from the Net Proceeds of the Issue for purchase of machinery and equipment to meet the requirements of various projects.

We have obtained quotations for the equipments mentioned below. We have not yet placed any orders, or made any payments in furtherance of the same. The details of the equipment to be purchased by us is given below:

S. No.	Equipment	Qty.	Amount (in Rs. million)	Name of the supplier from whom quotation received	Date of quotation
1.	Telescopic Std. Prop2 x 2	95,168	93.04	JCK Formwork & Scaffolding Private Limited	October 20, 2007
2.	Span SO + SI	26,766	53.31	JCK Formwork& Scaffolding Private Limited	October 20, 2007
3.	Centering Plate 600 x 900	83,272	57.59	JCK Formwork& Scaffolding Private Limited	October 20, 2007
4.	Densified Plastic coated W/P plywood	9,590	14.50	Kumar Ply	October 19, 2007
5.	Silver Wood (in cubic ft.)	19,509	5.49	Kamco Timbers	October 19, 2007
6.	Mechanical Bar Cutting Machine Model (SCM-42 and SBM -42)	20	6.80	Spartan Engineering Ind. Private Limited	October 25, 2007
7.	Cranes	15	94.97	SN Mercantile (India) Private Limited	October 30, 2007
8.	Concrete Mixing plant and additional flash screw conveyor	20	81.58	Schwing Stetter (India) Private Limited	October 31, 2007
9.	Concrete Pumps	20	63.59	Putzmeister India Private Limited	October 29, 2007

S. No.	Equipment	Qty.	Amount (in Rs. million)	Name of the supplier from whom quotation received	Date of quotation
10.	Rope Suspended Platform	20	11.50	Spartan Engineering Ind. Private Limited	October 25, 2007
11.	Diesel Generator Set	20	22.19	Amney Generator	October 31, 2007
12.	Transformer	15	5.83	Universal Power Transformer Private Limited	October 18, 2007
	Total		**510.39**		

*All of the above quotations have been obtained by us from the respective suppliers within the last month from the date of filing of this Draft Red Herring Prospectus. Fresh quotation will be obtained at the time of the actual placement of the order for the respective equipment

The prices of the machinery and equipments proposed to be purchased as mentioned above are as per current quotations received from suppliers and manufacturers. Current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to obtain new quotations from these or other suppliers on the same terms. Our Company has not yet made a decision to finalize the suppliers for the above equipment.

General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the balance Net Proceeds of the Issue, if any, for general corporate purposes, including towards strategic initiatives and acquisitions, brand building exercises and the strengthening of our marketing capabilities.

Issue related expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses, IPO grading expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (in Rs. Million)*	% of total Issue expenses*	% of Issue size*
Lead management, underwriting commission	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Registrars fee, legal fee, etc.	[•]	[•]	[•]
IPO grading expenses	[•]	[•]	[•]
Others (including Listing Fees)	[•]	[•]	[•]
Total estimated Issue expenses	**[•]**	**[•]**	**[•]**

*To be incorporated after finalisation of Issue Price

Means of Finance

The stated objects of the issue are proposed to be financed entirely out of the proceeds of this Issue.

Interim use of funds

Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds 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 and deposits with banks, for the necessary duration or for reducing overdrafts. We would not employ proceeds of the Issue in equity capital markets.

Monitoring utilization of funds

Our Board 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

2008, 2009, 2010 and 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.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter Group or key managerial personnel, except in the normal course of 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 construction and real estate sector:

- Significant experience and strong track record;
- Quality and strength of execution;
- Emphasis on innovative and theme-based developments;
- Qualified and proven project teams and experienced management; and
- Effective development structure to optimize resources.

For further details, refer to "Our Business - Strengths" on page 54 and Risk Factors on page x.

Quantitative Factors

The information presented below relating to the Company is based on the restated unconsolidated financial statements of the Company for Fiscal 2005, 2006, 2007 and for the period ended on June 30, 2007 and restated consolidated financial statements of the Company for fiscal 2006, 2007 and for the period ended on June 30, 2007 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

Basic and Diluted earnings per equity share ("EPS") on an unconsolidated basis

Year ended	EPS (Rs.)	Weight
March 31, 2005	1.72	1
March 31, 2006	2.78	2
March 31, 2007	7.40	3
Weighted Average	**4.91**	
June 30, 2007 (not annualised)	0.75	

Basic and Diluted earnings per equity share ("EPS") on a consolidated basis

Year ended	EPS (Rs.)	Weight
March 31, 2006	2.28	1
March 31, 2007	6.80	2
Weighted Average	**5.29**	
June 30, 2007 (not annualised)	0.82	

Note:

- The earning per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares have been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

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, 2007 : [●] times
d. P/E based on Weighted average EPS : [●] times
e. Industry P/E*
   i. Highest : 140.0

ii. Lowest : 2.8
iii. Industry Composite : 34.8

* P/E based on trailing twelve month earnings for the entire construction sector
Source: Capital Market, Vol XXII/16 dated Oct 08- Oct 21, 2007 (Industry-Construction)

3. Average Return on Networth (RoNW)

Return on Net Worth ("RoNW") as per restated unconsolidated financial statements

Year ended	RoNW (%)	Weight
March 31, 2005	21.13%	1
March 31, 2006	29.56%	2
March 31, 2007	21.20%	3
Weighted Average	**23.98%**	
June 30, 2007 (not annualised)	2.15%	

Return on Net Worth ("RoNW") as per restated consolidated financial statements

Year ended	RoNW (%)	Weight
March 31, 2006	25.35%	1
March 31, 2007	19.06%	2
Weighted Average	**21.16%**	
June 30, 2007 (not annualised)	2.31%	

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year.

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2007 is [●]

5. Net Asset Value

Particulars	Amt. (Rs.)
Net Asset Value per Equity Share (unconsolidated) as of June 30, 2007	35.00
Net Asset Value per Equity Share (consolidated) as of June 30, 2007	35.82
Net Asset Value per Equity Share after the Issue	[•]
Issue Price per equity share	[•]

NAV per equity share has been calculated as networth as divided by restated weighted average number of equity shares. Restated weighted average number of equity shares has been computed as per AS 20.

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

6. Comparison with other listed companies

	EPS (Rs.)* (TTM)	P/E as on September 28, 2007	RoNW (%)	NAV per share (Rs.)
Vascon#	6.80	[●]	19.06	69.97
Ansal Properties @	12.0	23.4	24.8	81.7
Mahindra Gesco@	4.7	131.3	3.0	189.3
Parsvanath Developers Limited @	17.3	19.6	32.7	79.2
Sobha Developers Limited@	25.4	36.0	34.1	111.9

** TTM – Trailing Twelve Months ended June 30, 2007except forVascon*
# For the period ended March 31, 2007 on the basis of consolidated financial statements
@ For the year ended March 31, 2007
Source: Capital Market, Vol XXII/16 dated Oct 08- Oct 21, 2007 (Industry-Construction) and company websites.

The peer group listed companies, as stated above are engaged in the construction and 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 x and the financials of the Company including important profitability and return ratios, as set out in the auditor's report stated on page 149, to have a more informed view.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Vascon Engineers Limited
15/16, Hazari Baug
L.B.S. Marg
Vikhroli (W)
Mumbai 400 083

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Vascon Engineers Limited (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other direct and indirect tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive or conclusive. 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. A shareholder is advised to consult his /her /their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

a) The Company or its shareholders will continue to obtain these benefits in future; or
b) The conditions prescribed for availing the benefits have been /would be met with; or
c) The revenue prescribed for availing the benefits have been /would be met with.

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

This report is intended solely for your information and for the inclusion in the offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Anand Mehta & Associates
Chartered Accountants

Kulin Mehta
Partner
Membership No. 38440
Mumbai
Dated November 2, 2007

ANNEXURE : POSSIBLE BENEFITS AVAILABLE : REFERRED TO IN OUR LETTER DATED 25TH MAY 2007

I. UNDER INCOME TAX ACT, 1961 ('THE IT ACT')

a) Benefits available to the Company

In accordance with and subject to the conditions specified under Section 80-IB (10) of the IT Act, the Company is eligible for hundred percent deduction of the profits derived from development and building of housing projects approved before 31 March, 2007, by a local authority.

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received by the Company from domestic companies is exempt from income tax.

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

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

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

Under section 80IA of the IT Act, 100 percent of profits is deductible for 10 years commencing from the initial assessment year in case of an undertaking which develops, develops and operates or maintains and operates an industrial park or special economic zone (from assessment year 2002-03) notified for this purpose in accordance with any scheme framed and notified by the Central Government for the period from April 1, 1997 and March 31, 2009 in case of an industrial park and March 31, 2005 for special economic zones. Subsequent to March 31, 2005, 100 percent of the profits is deductible for the balance number of years (out of 10 years) under section 80IAB of the Act.

Under section 115JAA(2A) of the Act tax credit shall be allowed in respect of any tax paid (MAT) under section 115JB of the Act for any Assessment Year commencing on or after 1st April 2006. 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 immediately succeeding the year in which the MAT credit initially arose.

b) Benefits available to resident shareholders, approved infrastructure capital companies, infrastructure capital funds and co-operative banks

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

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

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

recognized stock exchange of India and is liable to securities transaction tax.

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

(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

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

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

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

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

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

c) Benefits available to mutual funds

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

d) Benefits available to foreign institutional investors ('FIIs')

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

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

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

(a) National Highway Authority of India constituted under section3 of The National Highway Authority of India Act, 1988;
(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

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

Under section 115AD (1)(ii) of the Act short term capital gains on transfer of securities shall be chargeable @ 30% and 10% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

Under section 115AD(1)(iii) of the Act income by way of long term capital gain arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

e) Benefits available to venture capital companies/ funds

Under section 10(23FB) of the IT Act, any income of Venture Capital companies/ Funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per section 115U of the IT Act, any income derived by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

f) Benefits available to non-residents/ non-resident Indian shareholders (other than mutual funds, FIIs and foreign venture capital investors)

Under section 10(34) of the IT Act, income by way of dividends referred to in Section 115-O received on the shares of the Company is exempt from income tax in the hands of shareholders.

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

Under the first proviso to section 48 of the IT Act, in case of a non-resident shareholder, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations) (in cases not covered by section 115E of the IT Act-discussed hereunder), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares.

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

(a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
(b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion.

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

In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.

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

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

Under section 111A of the IT Act and other relevant provisions of the IT Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

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

following benefits:

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

Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

Under provisions of section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

II. UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

III. BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT

Gift tax is not leviable in respect of any gifts made on or after 1 October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;

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

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

The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

The statement of possible tax benefits enumerated above is as per Income Tax Act, 1961 as amended by the Finance Act, 2007.

SECTION IV: ABOUT THE COMPANY

INDUSTRY

The information in this section is derived from various government publications and industry sources. Neither we nor any other person connected with the Issue 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.

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 2004, 2005, 2006 and 2007, respectively. 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.

India's Construction Industry – An Overview

In India, construction is the second largest economic activity after agriculture. According to the Construction Federation of India ("CFI"), the construction industry in India currently has a gross value of output in excess of Rs. 3,000 billion and accounts for more than 6% of India's gross domestic product. Construction investment accounts for nearly 14.7% of the GDP and around 52.4 % of the Gross Fixed Capital Formation. CRIS INFAC, predicts that investments in construction over the next five years (fiscal years 2007-11) are expected to be nearly double those that were made in the preceding five years (fiscal years 2002-06).

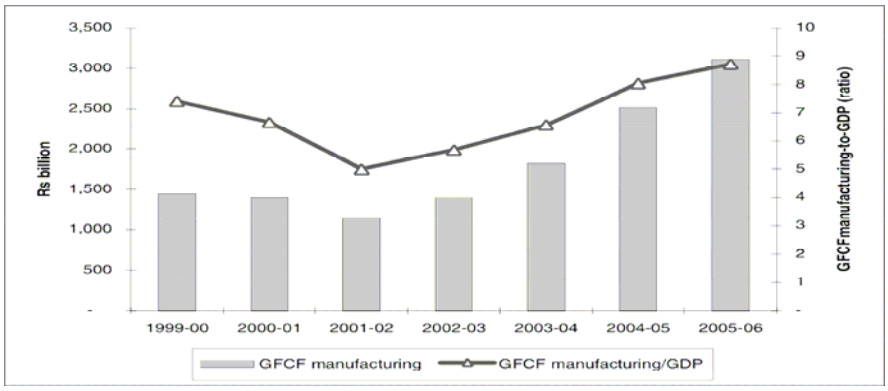
Assessment of key infrastructure, key industrial and real estate investments reveals that the industry is expected to witness total investments of Rs. 26,473 billion over the next five years as compared with total investments of Rs.14,043 billion made in the previous five years (Source: CRISIL Research). Growth in the construction industry (at implicit annual growth rate of 13.5% over the next five years) is expected to be led by growth in infrastructure and industrial investments, which are expected to grow at a faster rate than real estate investments (Source: CRISIL Research).

Industrial Construction

Over the next five years, growth in investments will be driven by strong capacity additions, led by strong growth in demand and high existing operating rates across some of the key industries.

The following graph, uses Gross Fixed Capital Formation (GFCF) manufacturing as a proxy to industrial investments to reflect the prevalent surge in industrial investments.

Industrial investments on a rise



Source: CSO and CRISINFAC

The Real Estate Sector in India

Historically, the real estate sector in India has been 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:

- the support of the Government of India for the repeal of the Urban Land Ceiling Act, with nine state governments having already repealed the Act;
- modifications in the Rent Control Act to provide greater protection to homeowners wishing to rent out their properties;
- rationalisation of property taxes in a numbers of states; and
- 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, 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 hotel accommodation and 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 CRIS INFAC'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.

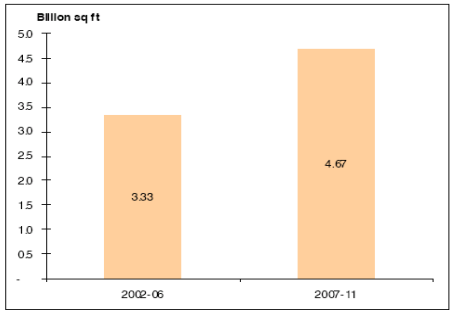
CRIS INFAC's "Housing Annual Review" (May 2007) estimates the total stock of housing by 2007 at 129.4 million units. This is expected to grow at a CAGR of 3.37% till 2012, adding, on an average, 4.6 million units annually till 2011.

Housing demand forecast **Table 1**

	2007	2011	Growth
Estimated housing stock (million units)	129.4	152.75	3.37%
Estimated housing stock (billion sq ft)	86.08	109.46	4.75%

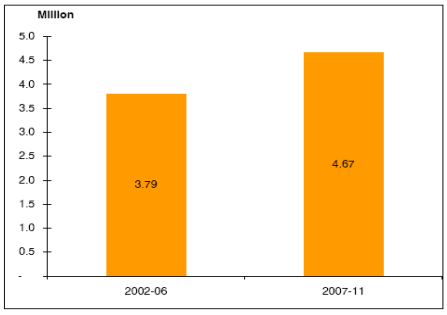
Source: CRISIL Research

Average annual sq ft addition - All India Figure 1



Source: CRISIL Research

Average annual units addition - All India Figure 2

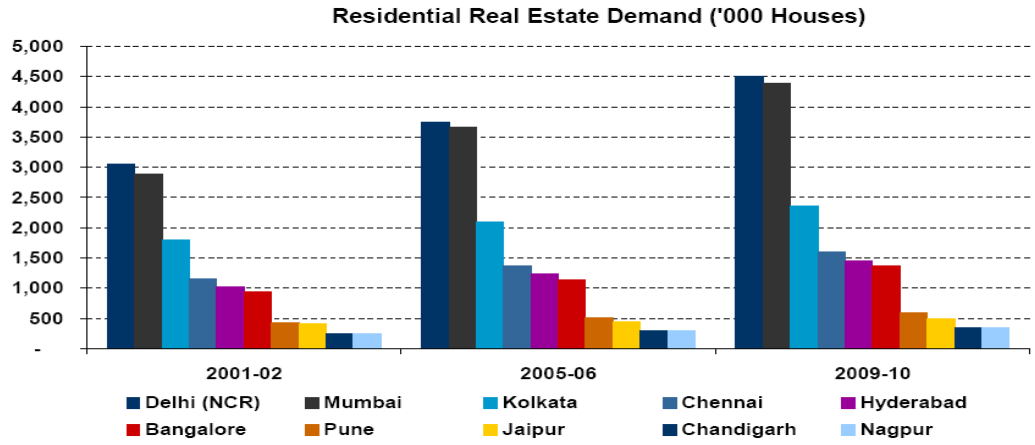


Source: CRISIL Research

CRIS INFAC's "Housing Annual Review" (May 2007) estimates that annual additions in urban areas are expected to grow at 9% from 1.96 billion sq ft to around 3 billion sq ft, primarily reflecting increased urbanisation. Further, corresponding annual additions in units are expected to grow at 6% 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% from 1.36 billion sq ft in 2002-06 to 1.66 billion sq ft. Corresponding annual additions in units in rural areas are estimated to grow at 1% to 1.59 million in 2007-11 from 1.48 million in 2002-06.

The following chart (Source: CRISIL CityView-A Real Estate Perspective) illustrates the demand for houses across ten major cities in India.

Demand for houses : Highest in NCR

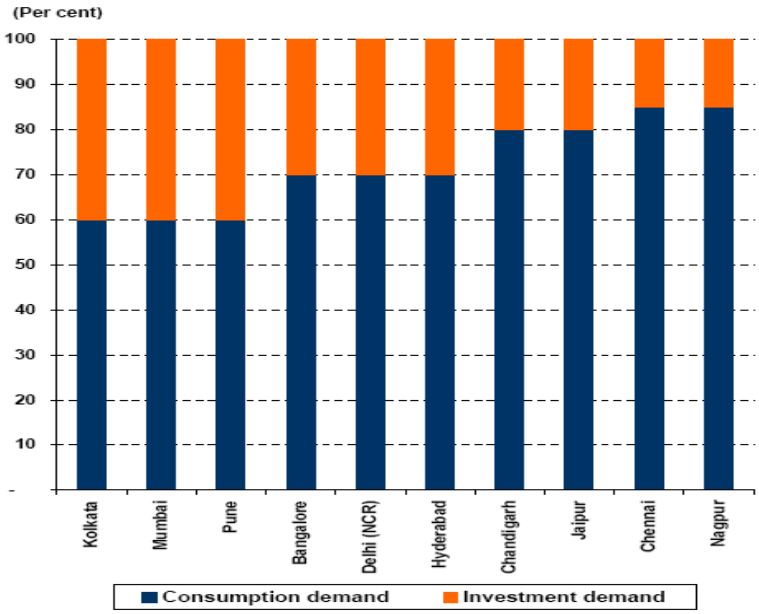


According to CRISIL CityView-A Real Estate Perspective, housing is emerging as a sought-after investment option amongst Indian investors. Investment demand is high in cities like Pune, Mumbai and Kolkata.

Share of investment demand high in Mumbai, Kolkota and Pune

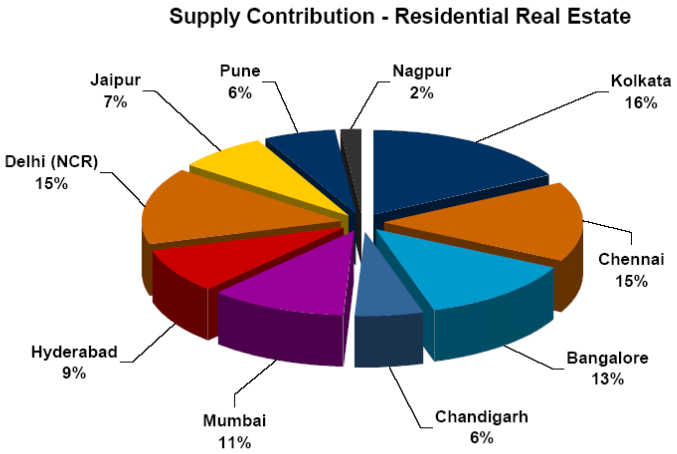
- *residential real estate has emerged as a preferred investment option.*
- *This has contributed to demand for residential real estate*
- *As expected, investors have concentrated on top cities, leaving cities like Jaipur and Nagpur*
  - *Chennai seems to be the lone exception.*

Investors, Consumers as demand drivers



The following chart (Source: CRISIL CityView-A Real Estate Perspective) sets out the estimated share of various cities in residential real estate supply for the next two years.

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



Note

Estimated supply is for the next 2 years.

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).

Development concentrated in outer periphery

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

10 cities: Residential construction – Growth areas

City	*Growth areas*
Bangalore	*Sarjapur Road/Outer Ring Road (South East), Whitefield, Hosur Road, Devanhalli*
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 Rd, Vaishali Nagar, Jagatpura and Sangner*
Kolkata	*Batanagar, Howrah, Prince Anwar Shah Rd, Rajarhat*
Mumbai	*Across the city*
Nagpur	*Within the city and on the right road*
Pune	*Outskirts*

Source: CRISIL Research
Note: Estimated supply is for the next 2 years

According to CRIS INFAC's "Housing Annual Review" (May 2007), the residential sector is expected to continue to demonstrate robust growth over the next five years, assisted by the rising penetration of housing finance and favourable tax incentives. According to CRIS INFAC's "Construction Annual Review" (May 2007), housing investments (permanent non-slum houses) are expected to grow at an implicit trend annual growth rate (TAGR) of 12% over the next five years. Housing investments are expected to increase from Rs. 9.8 trillion from 2001-02 to 2005-06 to Rs. 17.3 trillion from 2006-07 to 2010-11, driven by urban housing investments, which are expected to grow at a CAGR of 13.7%.

Trend towards high-rise residences in urban locales

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. Industry sources expect the IT and ITES sectors to continue to grow and generate additional employment (Source: CRISIL CityView-A Real Estate Perspective).

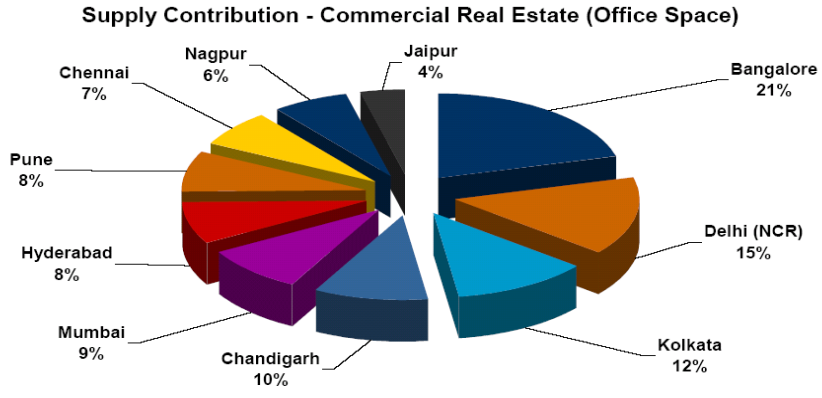
Office space: Driven by IT/ITES, as expected

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
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	Hijewadi, Magarpatta City

Source: CRISIL Research

The following chart (Source: CRISIL CityView-A Real Estate Perspective) sets out the estimated share of various cities in commercial real estate supply for the next two years.

Office space: Supply of over 100 million square feet

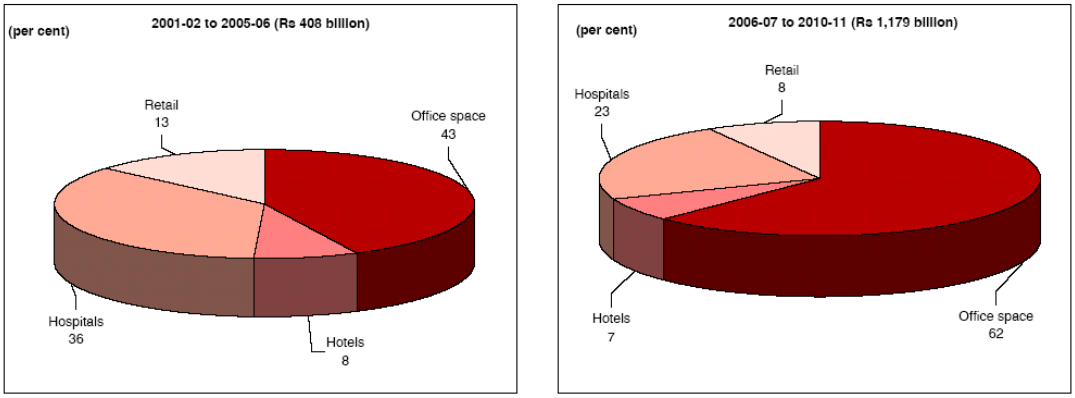


Note

Estimated supply is for the next 2 years.

According to CRIS INFAC's "Construction Annual Review" (May 2007), investment in commercial construction is expected to increase threefold over the next 5 years from Rs 408 billion to Rs 1,179 billion. Investments in the commercial segment are likely to be driven by office space projects, which are expected to go up from Rs 737 billion over the next 5 years as against Rs 174 billion worth of investments made over the previous 5 years. Within office space construction, 70–75% of the demand comes from IT/BPO/call centres. Other key demand drivers include banking and financial services, fast-moving consumer goods (FMCG) and telecom. This dependency on IT/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 over the next 5 years.

Commercial construction investments **Figure 2**

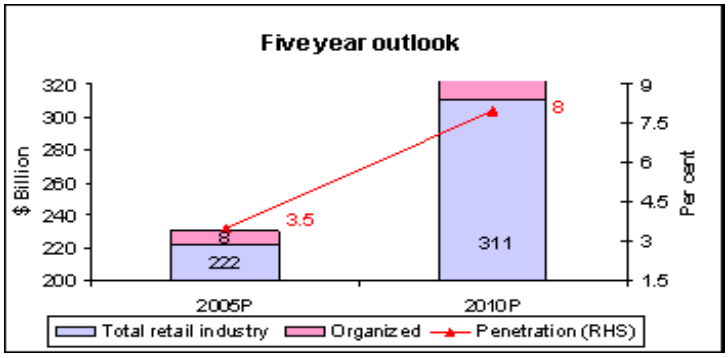


Retail Real Estate Development

CRIS INFAC estimated that retail spending in India in the fiscal year 2005 was Rs. 9.9 trillion, of which organised retail accounted for Rs. 350 billion, or approximately 3.5 %. The organised retail segment in India is expected to grow at a rate of 25% to 30% over the next five fiscal years. The growth of organised retail segment is expected to be driven by demographic factors, increasing disposable incomes, changes in perception of branded products, the entry of international retailers into the market, the availability of cheap finance and the growing number of retail malls (Source: CRIS INFAC "Retailing Annual Review" (September 2005)).

The major organised retailers in India currently include Tata-Trent, Pantaloon, Shopper's Stop and the RPG Group. While the organised retail segment has so far been limited to larger cities in the country, retailers have announced major expansion plans in smaller cities and towns. The growth of organised retail in India will also be affected by the reported entry into the sector of major business groups such as Reliance, Bennett & Coleman, Hindustan Lever, Hero Group and Bharti. International trailers such as Metro, Shoprite, Lifestyle and Dairy Farm International have already commenced operations in the country. In its publication "Retailing Annual Review" (September 2005), CRIS INFAC estimates that, over the next five years, 73.78 million square feet of floor space and Rs. 369 billion of real estate investment will be required to sustain the growing organized retail market.

It is anticipated that this increased activity in retail would result in increased revenues in the organised retail sector, as illustrated by the following chart:



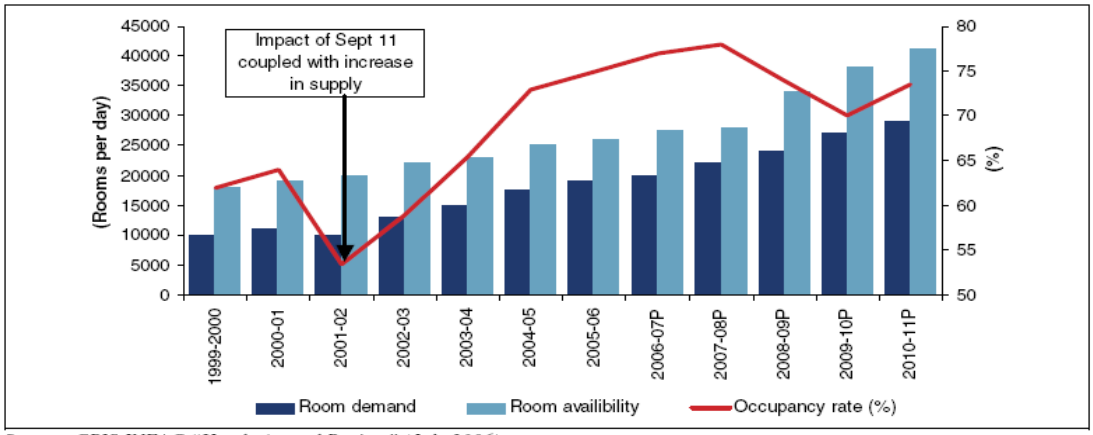
Growth of the Retail Sector in Smaller Cities

India has four metropolitan cities, namely Mumbai, Delhi, Kolkata and Chennai, and an equal number of miniature metropolitan cities, namely Bangalore, Hyderabad, Ahmedabad and Pune. Initially, most retail players launched their ventures in these cities . However, more recently, smaller cities have also begun to see growth in this sector. Players are entering these cities early in the hope of gaining a first-mover advantage, that is, a larger customer base and a higher share of loyal customers. Over the past few years, the share of these cities as a percentage of total organized retail has grown steadily.

Hospitality

Recent growth in the hospitality sector in India has primarily been caused by the growing economy, increased business travel and tourism. According to CRIS INFAC (Hotels Annual Review (July 2006)) room demand is expected to grow at a CAGR of 10% over the next five years. This is expected to be accompanied by increases in average room rates of 20% and 10% in the fiscal years 2007 and 2008, respectively. Growth in occupancy rates is likely to be assisted by factors such as a 10% CAGR in the number of incoming travellers to India over the next five years.

The following chart shows changes in room demand and availability as well as occupation rates since the fiscal year 2000 and projections through to the fiscal year 2010:



Source: CRIS INFAC "Hotels Annual Review" (July 2006).

According to the "Hotels Annual Review (July 2006)" published by CRIS INFAC, it is estimated that investments in the hotel industry will be approximately Rs. 90 billion over the next five years.

According to CRIS INFAC's "Hotel Annual Review" (July 2006), the majority of segments in the Indian hotel industry have shown steady growth recently in room rates as well as occupancy rates. Average room rates in metropolitan markets have shown significant growth in 2005-06 including 42% for Pune, 41% for Hyderabad, 31% for Jaipur, 24% for Kolkata, 26 % for Agra, 9% for Ahmedabad, 30% for Bangalore, 24% for Chennai, 38% for Delhi, 23% for Goa, 30% for North Mumbai and 25% for South Mumbai.

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.

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 favourable 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 corporates 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 3- 5 years, these markets are likely to see significant real estate growth.

The City of Pune

Pune, including its twin city, Pimpri-Chinchwad, is the eighth largest city in India, with a population of approximately 4.8 million. Located just 160 kilometers from Mumbai, it is the second largest city in the State of Maharashtra and the sixth largest metropolitan economy in India. The Mumbai-Pune Expressway has contributed to Pune's development as an IT destination, and the city has rapidly growing software, automobile parts and other engineering industries. Traditionally, Pune has been a highly regarded educational centre. It has a large number of educational institutions, including engineering, medical and management institutes and colleges and the National Defense Academy.

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

Eco-demo profile

Net domestic product growth (NDP) – Pune district

	2000-01	2001-02	2002-03	2003-04	2004-05
NDP at current prices (Rs million)	2.08	2.28	2.45	2.78	3.12
NDP at constant prices (Rs million)	1.35	1.41	1.47	1.64	1.76
Growth per annum (%)		**4.4**	**4.1**	**11.7**	**7.5**

Source: Economic Survey of Maharashtra

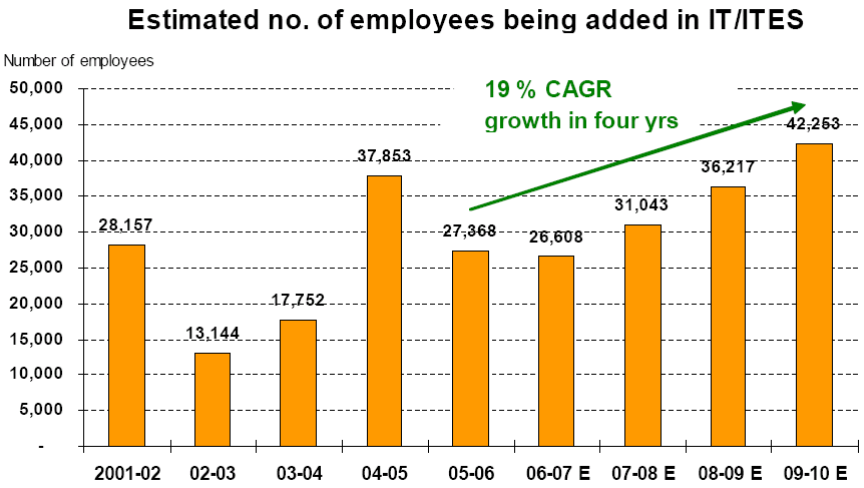
Pune municipal corporation area

	1991 Census				2001 Census			
	Total	%	Literate	%	Total	%	Literate	%
Population	15,66,651	100	10,86,147	69.3	25,38,473	100	19,56,956	77
Male	8,12,523	52	6,10,011	75.1	13,25,694	52	10,79,575	81
Female	7,54,128	48	4,76,136	63.1	12,14,395	48	8,77,381	72

Source: Environment Status Report 2005

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

Demand from IT/ITES



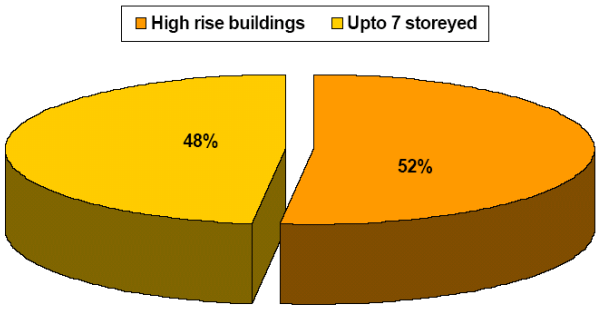
Source: CRISIL Research

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

Residential Sector in Pune

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

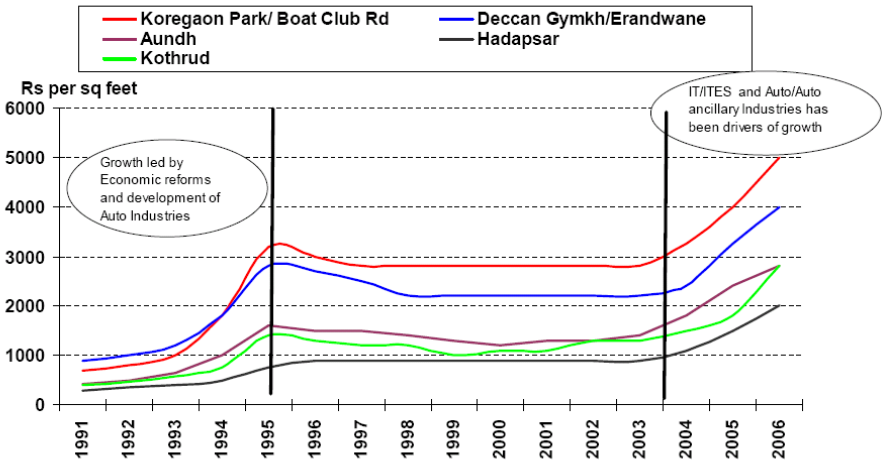
Residential: Market segmentation



Source: CRISIL Research

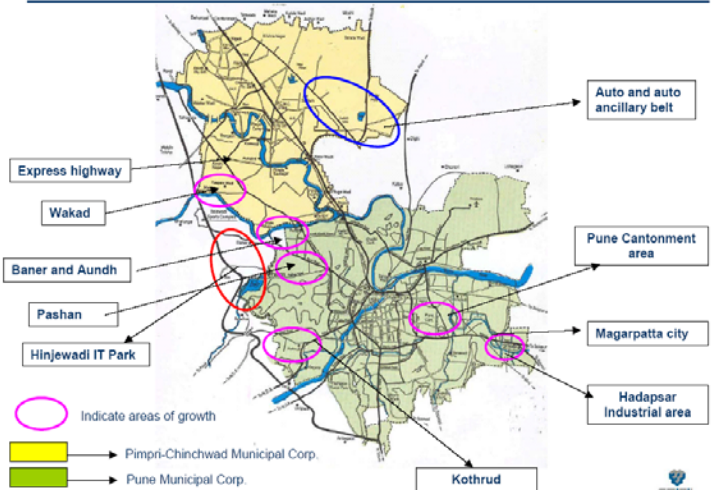
It is expected that 16 million sq. ft. of real estate will be added in Pune from 2006 to 2008. Most of this would cater to the high income group. Premium properties are being developed in areas like Koregaon Park, Kalyani Nagar, Cantonment and Boat Club Road. Growth in the outskirts is driven by IT/ITES and the Bombay-Pune express highway.

Residential: Property prices



Source : Industry

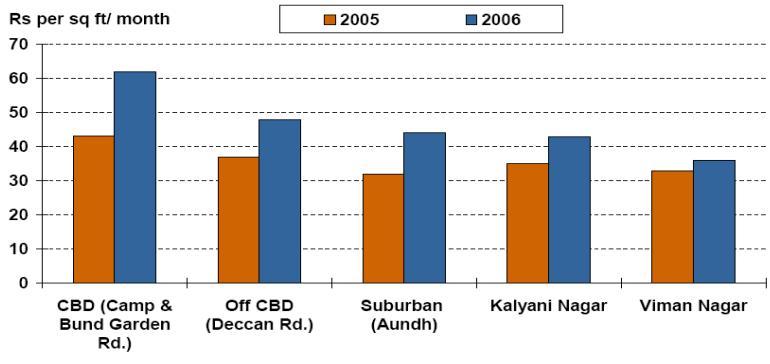
Residential supply: Concentration



Commercial Sector in Pune

Industrial and commercial activity in Pune is expected to continue to be driven by the IT/ITES sector, auto/auto ancillaries sector, and small scale industries. Eight million sq ft of office space are expected to be added from 2006 to 2008, 75% of this is for the IT/ITES sector.

Office space: Rentals values



Source : Industry

Malls in Pune

The key retail markets in Pune are in Laxmi Road, Deccan Gymkhana, Cantonment, Budhwar Peth and M.G. Road. The growth in IT professionals has led to greater demand in retail in Pune. 17 malls were operational in Pune till 2006, occupying 4.5 million sq ft. Based on projects announced, 4.4 million sq ft of mall space are to be added in 2007 and 2008. Mall growth is expected to be concentrated close to the up-market residential areas like Laxmi Road, Bund Garden Road, Kalyani Nagar, Kharadi, and Senapati Bapat Marg, while the other growth area are the townships, like Kakade City and Magarpatta City. New malls are also coming up in the new residential areas of Aundh, Baner, Hinjewadi, Kharadi, and Kalyaninagar.

Major projects

Malls and multiplexes : Major projects under development

Projects	Developer	Area (mn Sq. Ft)	Completion date	Location
Fun & Fair	Vascon group	0.6	2007	Kalyani Nagar
Kakade City Mall	Kakade group	0.5	2006	Kothrud
44, Sinew Hills	Kumar Builders	0.5	2007	Karve road
Kakade Center Port	Kakade group	0.2	2007	Ganeshkhind Road

Note:
List of projects is indicative
Source : CRISIL Research

Challenges Facing the Indian Real Estate Sector

Lack of national reach of existing players

There are currently very few players 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 such factors as:

- the differing tastes of customers in different regions,
- difficulties with respect to large scale land acquisition in unfamiliar locations,
- an absence of business infrastructure to market projects in new locations,
- 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 market belonging to unorganised 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 less transparency in dealings or sharing of data between players.

Demand dependent on many factors

Real estate developers face challenges in generating the demand for many projects. The factors that influence a customer's choice in property is not restricted to quality alone, but is dependent on a number of other external factors, including proximity to urban areas, amenities 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 realisation of this revenue is scattered across the period of construction. A significant challenge that real estate developers face is dealing with adverse movements in costs. The real estate sector is dependent on a number of components such as cement, steel, bricks, wood, sand, gravel and paints. As the revenues from

sale of units are predetermined, adverse changes in the price of any raw material directly affect the bottom line of the developers.

Interest rates

One of the main drivers of the growth in demand for housing units is the availability of finance at low rates of interest. Interest rates, however, have recently shown signs of increase and most leading financial institutions have recently raised the rates which they charge on housing loans. This trend of rising interest rates may dampen the growth of demand for residential units.

Tax incentives

The existing tax incentives available for housing loans are one of the major factors influencing demand. These tax incentives, however, based on recommendations of various committees and panels, are likely to be withdrawn. For example, the Kelkar Panel had recommended reduction of income tax deduction available on the interest on housing loans for owner-occupied houses for the assessment years 2004-05 to 2006-07.

OUR BUSINESS

Overview

We are an engineering, procurement and construction services and real estate development company with operations in a number of states and union territories in India. We believe in providing high quality and innovative projects on a timely basis. We provide all of our EPC services and we develop real estate directly or through our Subsidiaries and Other Development Entities. Directly or through our Subsidiaries and Other Development Entities, we also own three hospitality properties and own and operate a shopping mall and office complex. Our Subsidiaries and Other Development Entities engage our Company to provide EPC services for the development of their projects and independently, we also provide EPC services to third parties.

We commenced our business and operations primarily as an EPC company in 1986, however, in the past few years have diversified into real estate development and owning and operating selected projects. According to a survey conducted by the Construction World publication in June 2007, we are amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land to EPC and sales and marketing of our project, to operation of our completed projects.

We have significant experience in engineering, procurement and construction, and have constructed factories, hospitals, hotels, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings. We provide EPC services for our own projects as well as to third parties. Our third party EPC clients have included well-known Indian and multi-national companies such as Cipla Limited, Emcure Pharmaceuticals Limited, Zensar Technologies, Kirloskar Brothers Limited, Symbiosis, Syngenta India Limited and Okasa Pharma Private Limited. We have also provided EPC services to our own projects, such as Marigold, Marisoft Annex, Weikfield ITCiti Infopark and Zircon. As of October 31, 2007, we have completed an aggregate of 135 EPC Contracts, with a total contract value of Rs. 5,552.50 million, out of which 119 EPC Contracts were for third parties, with a total contract value of Rs. 4,355.78 million and 16 EPC Contracts were for projects developed by us or our Other Development Entities, with a total contract value of Rs. 1,196.72 million. As on October 31, 2007, we are engaged in 36 EPC Contracts, with an estimated total contract value of Rs. 11,899.20 million and Order Backlog of Rs. 10,740.69 million out of which 26 EPC Contracts were for third parties with Order Backlog of Rs. 7,056.78 million and 10 EPC Contracts were projects developed by us or our Other Development Entities with Order Backlog of Rs. 3,683.91 million.

Our real estate development business comprises of development of residential and office complexes as well as shopping malls, multiplexes, hotels, IT parks and other buildings, directly and through our Subsidiaries and Other Development Entities, and caters to customers with a diverse range of income groups. Our Ongoing and Forthcoming Projects are spread over five states. As of October 31, 2007, we and our Other Development Entities have completed an aggregate of 36 real estate development projects, with an aggregate Saleable Area of over 3.39 million square feet. In addition, we have sold land and land development rights aggregating to over 1.69 million square feet in Saleable Area. We and Other Development Entities are in the process of developing an additional 45 projects, with an aggregate Saleable Area of over 34.69 million square feet.

For some of our projects, we not only provide EPC and real estate development services, but also continue to own or operate such projects subsequent to their completion. For example, we currently own the Vista do Rio and Galaxy resorts in Goa and the Golden Suites service apartment complex in Pune, and own a 50.00% interest in the Marigold Premises Private Limited, which owns and operates the Mariplex mall and office complex. In addition, we are in the process of developing two hotels in Pune through entities in which we hold 26.00% and 37.50% equity interests respectively. Such business is expected to provide us with a steady source of revenues from leasing and hospitality operations.

As of June 30, 2007, we had consolidated total income of Rs. 1,380.43 million and consolidated net profit, as restated, of Rs. 58.83 million and for the fiscal year 2007, we had consolidated total income of Rs. 3,992.45 million and consolidated net profit, as restated, of Rs. 473.10 million.

Strengths

Significant experience and strong track record

We have significant experience in engineering, procurement and construction, and have established a strong track record of designing and constructing a diverse range of projects. In over 20 years of experience in EPC business, we have constructed factories, hospitals, hotels, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings, constructing 135 projects with value of Rs. 5,552.50 million as of October 31, 2007. Our EPC clients have included well-known Indian and multi-national companies such as Cipla Limited, Emcure Pharmaceuticals Limited, Zensar Technologies, Kirloskar Brothers Limited, Symbiosis, Syngenta India Limited and Okasa Pharma Private Limited. In addition, we and our Other Development Entities, have developed and completed 36 projects aggregating to 3.39 million square feet of Saleable Area, such as the office complex in Pune, the Marigold residential complex, the Marisoft IT park in Kalyani Nagar, Pune and the Vista do Rio and Galaxy resorts in Goa. Our real estate development business comprises of development of residential and office complexes as well as shopping malls, multiplexes, hotels, IT parks and other buildings, directly and through our Other Development Entities. We and our Other Development Entities also own and operate a select range of properties, and cater to customers with a diverse range of income groups.

Quality and strength of execution

We have a track record of developing and constructing high quality and innovative projects in a timely manner. We have established dedicated teams and processes to bid for, design and engineer, procure materials for and construct our projects in a cost-effective and quality-controlled manner. We have commenced the implementation of SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs. We employ pre-stressed concrete technology as it increases the load bearing capacity of concrete columns and reduces total costs because fewer columns are used.

Our quality control department consists of 30 engineers. We obtained the ISO 9001:2000 certification in 2003 and the ISO 14001:2004 certification for environmental procedures in 2006. In addition to our commitment to quality, we focus on timely completion of projects, and have completed a number of projects ahead of schedule. We are often required to build projects on a tight timetable to comply with our customers' obligations to their clients. For example, we built a software park for Mphasis in 95 days to facilitate their business commitments to their clients. The completion date for this project was ahead of schedule, and as a result, we were provided an early completion performance award. We also completed an educational facility for Symbiosis much before our documented completion date to enable them to comply with their commitments.

Emphasis on innovative and theme-based developments

We believe that innovation is the key to being successful in real estate development business. As such, not only do we focus on design and quality, but are committed to introducing innovations in our projects. We utilise the experience and skills of our engineering, architecture, management and project execution teams to plan and carry out innovative developments that maximize the use of land and minimize the use of power and other natural resources, including raw materials and water. We have introduced concepts such as dual feeder electricity supply and automated temperature control systems in our projects to reduce the consumption of electricity. Over the last few years, we also introduced post-tensioned concrete technology in almost all our commercial projects.

In addition, we build our projects with themes, such as the Golden Nest residential complex which caters to senior citizens. Our integrated township, Marigold, contains apartment buildings, bungalows, a shopping mall, an entertainment complex, hospitality space and an IT park. We have commenced the development of Windmere, an ultra-luxury apartment complex. Our commitment to quality and innovativeness is exemplified by a number of awards such as the merit award for innovative design and development of a new project (with respect to the Nucleus mall in Pune) at the 30th ICSC International Design and Development Awards and five Builders Association of India regional awards for residential and commercial complexes.

Qualified and proven project teams and experienced management

We believe that a skilled and motivated employee base is essential for our competitive advantage. Our EPC Contracts and our project development business require us to evaluate new projects, accurately estimate costs, and design, construct and deliver projects in a cost effective, quality-controlled and timely manner. As such and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest considerable resources in the development of the expertise and know-how of our employees as well as in employee satisfaction. As a result, we believe that our attrition rate is low. As of October 31, 2007, we have a team of 486 employees, including 321 employees in engineering and 16 employees in architecture and design. The skill and diversity of our employees gives us the flexibility to adapt to the needs of our customers.

Our management has been responsible for the growth of our business and operations. Our qualified and well-experienced key management personnel team comprises of 16 individuals responsible for and heading various aspects of our projects and business such as tendering, procurement and hotel projects.

Established brand name

In over two decades of operations, we have established a well-recognized brand name in our business. From our inception we have established a corporate culture in our organization and endeavour to follow high ethical standards. We believe our customers associate our brand name with quality, transparency, reliability, ethics and value. We have developed long-term relationships with our retail and corporate customers as well investors in the real estate market, joint venture parties, sub-contractors and suppliers, and in our EPC business, enjoy repeat business with many of our EPC customers. Our strong brand presence in EPC business has facilitated our entry into joint ventures and assisted us in building our real estate development business. We focus on customer satisfaction, including by having a customer relationship executive for each project to provide a single point of contact for our customers, by being sensitive and flexible to the needs of our customers.

Effective development structure to optimize resources

We generally enter into joint development agreements and/or joint ventures with land-owners to acquire development rights to their land in exchange for a pre-determined portion of revenues or profits generated from the projects. This business model enables us to have development rights to significant parcels of land without having to invest large amounts of money to purchase such land. Our joint development agreements provide us with significant control over all aspects of the development and sales of our projects. In addition, in case of our Other Development Entities, we either own a majority interest in or control such entities. As a result, we have management control over our projects and can control all important business decisions relating to such projects. In addition, our Company provides any and all EPC services to our real estate development projects. As such, we are able to closely monitor the management and operations of our projects, as well as to apply a uniform management philosophy, including standardized processes for accounting, finance, marketing and sales, business and management review, to such businesses. As a result, we believe we are better able to optimize revenues and minimize operational, capital and other costs.

Strategy

Diversify geographically into new locations

A large percentage of the population of India is located in non-metropolitan cities and towns, particularly Tier II and Tier III cities, in India. In addition, most metropolitan cities have in the recent past undergone significant real estate price increases and intense development and competition, limiting project opportunities and profit margins and increasing risks. As such, we began to and continue to diversify into high growth but non-metropolitan regions across the country such as Nasik, Coimbatore, Aurangabad, Chandigarh and Belgaum. Although historically, a majority of our projects have been located in Pune, in the fiscal year 2007, our total income generated from projects located in cities and towns other than Pune increased when compared to fiscal year 2006, and we expect such percentage to continue to increase. We anticipate that the increase in economic activity in non-metropolitan cities and towns will result in an increase in demand for real estate development in such regions and provide us with an early mover advantage.

Continue to focus on real estate development projects

Prior to 1998, we were primarily an EPC contract company. Within the past nine years, we have diversified into and focused on real estate development. We intend to continue to build our real estate development business and are committed to developing a diverse range of projects such as residential and office complexes, shopping malls, multiplexes, hotels, IT parks, community centres and other buildings. As of October 31, 2007, we and our Other Development Entities have already completed an aggregate of 36 real estate development projects and are in the process of developing 45 Ongoing and Forthcoming Projects. We believe, while real estate development, particularly commercial real estate development, requires significant amounts of working capital, the opportunities to grow our revenues and profit in both commercial and residential real estate development business are significant.

We recognize that land reserves are critical to this strategy, and as such, have developed our business model of entering into joint ventures and joint development agreements with land-owners and other financial investors to provide for land for our real estate development projects. We intend to continue to selectively enter into joint ventures and joint development agreements to increase the amount of land available to us for development. This model also assists in reducing our working capital investment and effectively utilizing our EPC and sales and marketing capabilities.

Maintain high standards of quality and reliability

We believe that we have acquired a reputation for undertaking quality construction projects and completing them on a timely basis. We intend to continue to focus on performance and quality and timely project execution in order to seek to maximize customer satisfaction in both our EPC and real estate development businesses. We intend to continue to use technological tools and processes and strengthen our quality control team. We also intend to continue to further enhance our engineering, architecture, design, construction and development teams to enable us to provide innovative and superior design and engineering in our projects and services.

Optimize product mix

We intend to take advantage of the significant growth opportunities in the Indian real estate sector. We intend to do so by not only diversifying into new locations and real estate development business but also by optimizing our businesses and resources. For example, in our EPC business, we selectively outsource the engineering and architecture of projects to third parties to take advantage of the expertise of reputed international firms and enhance the design and technology of our projects. While we currently construct all of our real estate development projects, in future we may decide to selectively outsource portions of our construction work as well. For instance, we may tie up with reputable multinational corporations to make use of and learn from their design and project management capabilities in our future projects, with our company taking on purely construction work.

In addition, we sell or lease completed properties in our real estate developments depending upon type of property as well as market conditions. Within our commercial developments, such as office complexes, IT parks and shopping malls and multiplexes (other than hotels), we and our Other Development Entities, have sold as well as leased properties to our customers, while in our residential developments we have generally sold properties, often prior to completion. We also intend to generate profits from our interests in our Other Development Entities that own or operate an aggregate of six hospitality properties. This flexibility enables us to generate steady revenue streams from leasing and hospitality business, as well as capture appreciation in the market value of the project upon sale of property.

Our Business and Operations

We are an engineering, procurement and construction services and real estate development company providing EPC services to third parties as well as for our own real estate development projects.

A summary table of our completed and ongoing EPC Contracts and our Other Development Entities' completed and Ongoing and Forthcoming real estate development projects are as follows:

	Completed	Ongoing and Forthcoming
EPC Contracts		
No. of Projects	135	36
Value (Rs in millions)	5,552.50	10,740.69
Real Estate Development Projects*		
No. of Projects	36	45
Saleable Area (Sq. ft. in millions)	3.36	34.69

* We have in the past, sold land and land development rights aggregating to over 1.69 million square feet in Saleable Area.

As on October 31, 2007, geographical distribution of our EPC and our Other Development Entities' real estate development projects are shown in the table below:

State / Union Territory	EPC (Rs. in millions)		Real Estate Development (Sq. ft. in millions)	
	Completed	Ongoing	Completed	Ongoing
Maharashtra	3,494.34	7,004.67	3.04	32.54
Punjab	-	1,488.17	-	0.25
Karnataka	-	50.87	-	-
Goa	1,622.68	518.60	0.31	-
Himachal Pradesh	368.67	26.60	-	-
Daman	66.81	-	-	-
Haryana	-	1,040.00	-	-
Madhya Pradesh	-	591.83	-	-
Jammu & Kashmir	-	19.95	-	-
Kerala	-	-	-	1.75
Karnataka	-	-	-	0.15
Total	**5,552.50**	**10,740.69**	**3.36**	**34.69**

Our EPC Business

Over the course of past two decades, we have provided EPC services for a diverse range of property developments such as factories, hospitals, hotels, residential and office complexes, IT parks and shopping malls. As of October 31, 2007, we have completed 135 EPC Contracts of value of Rs. 5,552.50 million and our ongoing EPC projects includes 36 EPC Contracts, with an estimated total contract value of Rs. 11,899.20 million and Order Backlog of Rs. 10,740.69 million. We provide our EPC services for third parties as well as for real estate development projects developed by us and our Other Development Entities.

Completed EPC Contracts– Third Party

As on October 31, 2007, we have completed 119 EPC Contracts with a total contract value of Rs. 4,355.78 million for third parties. The following table sets forth our significant completed EPC Contracts (with a value of more than Rs. 100 million) for third parties as of October 31, 2007:

Name of Contracting Entity	Location	Project Details	Year of Completion	Contract Value (Rs. in millions)
Cipla Limited	Maharashtra	Industrial	2007	596.96
Symbiosis	Maharashtra	Educational	2007	195.32
Dr. Reddys Laboratories Limited	Himachal Pradesh	Industrial	2007	106.62
Cipla Limited	Himachal Pradesh	Industrial	2006	148.81
Cipla Limited	Goa	Industrial	2006	268.07
One Stop Shop India Private Limited	Maharashtra	Commercial	2005	173.48
Nebumed Pharma Private Limited.	Goa	Industrial	2003	143.33
Medex Spe Private Limited	Goa	Industrial	2003	152.70
Inhaled Technologies Private Limited (formerly known as Okasa Specialities Private Limited)	Goa	Industrial	2003	117.33
Orion Remedies Private Limited (formerly known as Okasa Chemicals Private Limited)	Maharashtra	Industrial	2002	140.93
Lancent Pharma Private Limited	Goa	Industrial	2001	139.18

Symbiosis

The Symbiosis EPC project is a Rs. 195.32 million project consisting of a college building and an international business management building and is located at Vimannagar, Pune, Maharashtra. We completed the construction of the complex within the timeline in March 2007 that assisted the contracting party in commencing their operations in time for a new academic year.

Cipla Limited

The Cipla EPC project is a Rs. 596.96 million project which includes certain buildings located at MIDC, Industrial Area, Patalganga, Maharashtra. The project was completed in eighteen months in August 2006.

Completed EPC Contracts – Our Real Estate Developments

As on October 31, 2007, we have completed 16 EPC Contracts with a total contract value of Rs. 1,196.72 million for real estate development projects developed by us or our Other Development Entities. The following table sets forth our significant completed EPC Contracts (with a value of more than Rs. 100 million) for real estate development projects developed by us or our Other Developed Entities as of October 31, 2007:

Name of Contracting Entity	Location	Project Details	Year of Completion	Contract Value (Rs. in millions)
Marigold Premises Private Limited.	Maharashtra	IT Park	2005	185.35
Weikfield ITCity Info Park	Maharashtra	IT Park	2007	149.11
Zircon Ventures	Maharashtra	Residential	2008	147.78
Ivy Glen	Maharashtra	Commercial	2008	182.90

Ongoing EPC – Third Party

As on October 31, 2007, we are engaged in 26 EPC Contracts with an estimated total contract value of Rs. 7,883.90 million and Order Backlog of Rs. 7,056.78 million. The following table sets forth our significant ongoing EPC Contracts (with an estimated contract value of more than Rs. 100 million) for third parties as October 31, 2007:

Name of Contracting Entity	Location	Project Details	Estimated Date of Completion	Estimated Contract Value (Rs. in millions)	Order Backlog (Rs. in millions)
Cipla	Maharashtra	Industrial	2008	115.93	42.97
Multitech Towers Private Limited.	Punjab	Residential	2009	187.00	187.00
Asim Reality Private Limited.	Maharashtra	Commercial	2011	1,333.30	1,333.30
Rohan Developers Private Limited	Maharashtra	Commercial	2010	816.00	727.23
Kirloskar Brothers Limited	Maharashtra	Residential	2010	313.70	313.70
Pawansut Infotech Private Limited	Maharashtra	Commercial	2009	136.83	104.96
Chandigarh Overseas Private Limited	Punjab	Commercial	2010	1,250.00	1,246.96
Cipla Limited	Madhya Pradesh	Industrial	2009	591.83	591.83
Cipla Limited	Goa	Industrial	2009	439.74	439.74
Vital Construction Private Limited	Haryana	Commercial	2010	1,040.00	1,040.00
Suzlon Energy Limited	Maharashtra	Industrial	2009	978.15	674.53

Rohan Developers Private Limited

The Ruby Mills project is a Rs. 816.00 million EPC Contract for a commercial office building undertaken for Rohan Developers Private Limited and is located at Dadar, Mumbai, Maharashtra. As of October 31, 2007, the construction for this project has commenced and the foundation work is in progress. The project is estimated to be completed by December 2009.

Kirloskar Brothers Limited

The Kirloskarwadi project is a Rs. 313.70 million EPC Contract for residential units for Kirloskar Brothers Limited and a hostel building for the employees of the Kirloskar Brothers Limited and is located at Kirloskarwadi in Sangli district, Maharashtra. As of October 31, 2007, the construction for this project has commenced and the foundation work is in progress. The project is estimated to be completed by June 2009.

Ongoing EPC – Our Real Estate Developments

As on October 31, 2007, we are engaged in 10 EPC Contracts with an estimated total contract value of Rs. 4,015.28 million and Order Backlog of Rs. 3,683.91 million. The following table sets forth significant ongoing EPC Contracts (with an estimated contract value of more than Rs. 100 million) for real estate development projects being developed by us and our Other Developed Entities as of October 31, 2007:

Name of Contracting Entity	Location	Project Details	Estimated Year of Completion	Contract Value (Rs. in millions)	Order Backlog (Rs. in millions)
Zircon Ventures	Maharashtra	Hospitality	2008	200.49	170.68
Weikfield IT Citi Infopark	Maharashtra	Commercial	2010	437.21	372.35
Phoenix Ventures (IT Building & Infra)	Maharashtra	Commercial	2010	204.74	193.77
Viorica Properties Private Limited	Maharashtra	Hospitality	2009	166.94	166.94
Angelica Properties Private Limited	Maharashtra	Commercial	2009	512.01	349.17
Vascon Dwellings Private Limited	Maharashtra	Commercial	2010	682.50	629.99
Vascon Dwellings Private Limited	Maharashtra	Residential	2011	240.00	240.00
Vascon Dwellings Private Limited	Maharashtra	Hotel/ Residential	2010	360.00	360.00
Zenith Ventures	Maharashtra	Commercial	2011	1,200.00	1,200.00

Angelica Properties Private Limited

The Matrix Angelica project is a Rs. 512.01 million EPC project to develop an IT Park and a hotel. It is located at Wakadewadi, Pune, Maharashtra. We hold a 26% equity interest in Angelica Properties Private Limited, the project specific company that is developing the project. The project is expected to be completed by March 2009.

Zenith Ventures

The Zenith Ventures project is a Rs. 1,200 million EPC project to build a shopping mall. It is located at Pune, Maharashtra. The project is expected to be completed by March 2011.

Project Execution

EPC projects involve various activities, depending on the scope of our engagement on a specific project, for instance we act as a turnkey contractor for the entire project or as a contractor responsible for a specific portion of a project. These activities may include project management, engineering and design of the entire proposed project or specific parts of a project, procurement of equipment and materials from third party manufacturers, construction activities, and commissioning or start-up services. Initial expenses incurred on the project, such as for pre-qualification and in connection with biddings are borne by us and are considered when calculating the contract's value.

Pre-qualification and the Bidding Process

In selecting contractors for major projects, clients generally limit the tender to contractors they have pre-qualified based on several criteria, including experience, technical capability and performance, reputation for quality, safety record, financial strength and size of previous contracts in similar projects. Pre-

qualification is key to our winning projects and we continue to focus on achieving pre-qualification. We endeavor to become directly qualified for projects that we propose to procure.

We enter into EPC Contracts (other than with our Other Development Entities), through a competitive bidding process. Due to the high cost and management resources required in preparing a bid on a large contract, we only bid on selected projects. Each project is carefully analyzed and, prior to bidding, we estimate the costs and analyze the financial and legal aspects of the project. In evaluating bid opportunities, we consider factors such as the client's reputation and financial strength, the geographic location and the difficulty of the work, our current and projected workload, the likelihood of additional work, the project's working capital requirement, cost and profitability estimates, and our competitive advantage relative to other likely bidders**.** For example, in a project that entails design and engineering, our engineers and architects are engaged during the cost estimation and bidding processes to prepare preliminary designs and blueprints and assist us in better estimating our costs and expenses and preparing effective bids. The bid estimate forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously. Price competitiveness of the bid, among qualified parties, is generally the most important and determinative selection criterion.

We cannot predict with any degree of certainty the frequency, timing or location of new contract awards. Until the final selection, negotiations continue with the client on matters such as design and engineering, guaranteed performance parameters, the construction schedule, financial and other contractual terms and conditions.

Engineering and Design

Our engineering team comprises of 321 qualified engineers and our architecture and design team comprises of 16 well-experienced architects. We provide detailed engineering and design services, if required by the customer, for the projects that we undertake. Typically, for such projects, the customer supplies conceptual information pertaining to the project, including project requirements and specifications. We are required to prepare detailed architectural and/or structural designs based on the conceptual requirements of the customer and also conform to various statutory requirements. Depending upon the type of a project and its EPC schedule, we may also outsource design services from experienced and specialised international firms. Prior to bidding for the project, our bidding department and senior management review the preliminary design prepared by our engineers and architects. Once the project is awarded to us, our engineers and architects prepare detailed designs pursuant to the project requirements.

Procurement

Since material procurement plays such a critical part in the success of any project, we maintain experienced staff to carry out material procurement activities. In our EPC Contracts, material procurement is especially critical to the timely completion of construction**.** Procurement is a centralized function performed at our headquarters under a separate procurement department. Depending upon the location of the project and the kind of raw material, we may procure raw material centrally or locally. For example, we may decide to purchase cement and other bulky raw materials locally for projects that are located in cities and towns distant from Pune, our headquarters. We procure labour through sub-contractors, generally locally, under project-specific long-term contracts.

We maintain sophisticated material procurement, tracking and control systems which enable effective monitoring for our purchases. We typically order the materials required for a project, such as steel, cement, bitumen, sand and aggregates, doors and windows, frames and other materials to be used in the project, as and when required, but at wholesale prices and quantities. We have developed relationships with, and database of, a number of suppliers of raw materials, labour and equipment over the years. Neither do we rely upon any single supplier of raw materials, labour or equipment, nor does any such supplier provide us with more than 10% of our total requirements of material, labour or equipment.

Procurement of material, labor and equipment from suppliers typically comprises a significant part of a project's costs. The ability to procure material, labor and equipment in a cost-effective manner, while meeting quality specifications for our projects is essential for the successful execution of such projects. We continually evaluate our existing vendors and also attempt to develop additional sources of supply for most of the materials, services and equipment needed for our projects.

Construction

In our EPC Contracts, construction typically commences once the basic engineering and design aspects of the project are finalized. The key construction activities involved in a project depend on the nature and scope of the project. The project team identifies and works with the procurement team to purchase raw materials and procure labour and equipment to commence construction. Based on the EPC Contract and the project, a detailed schedule of construction activities is prepared. Such schedule would set forth interim milestones as well as achievement dates for such milestones.

We have a project management system that monitors the physical and financial progress of the work as compared to the project schedule. Periodic progress reports are prepared at sites by project managers and are reviewed at our headquarters by our project coordinators. These form the basis of monthly invoices which we submit to our customers and our Other Development Entities for their approval and payment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies" beginning on page 219, for a discussion of the revenue recognition policies relating to our EPC business.

Pricing

Our EPC Contracts expose us to significant construction and cash flow risks. To mitigate these risks, we have developed risk controls that include selective bidding on projects, efficient project management and disciplined cash flow management. We believe that our past ability to manage these risks has been a key factor in our ability to provide solutions for our clients.

The EPC services we provide to our clients vary in a number of aspects, including, among others, in price, quantity and scope. As a result, our EPC Contracts generally provide for one or more of the following provisions:

- *Variable-price provisions*: Contracts which entail supply of certain materials with price escalation clauses, where a variation in the price of raw materials, such as steel or cement, is reimbursed, fully or to a limited degree, based on the purchase price of such product paid by our Company;
- *Owner-supply provisions*: Contracts which entail supply of certain materials, such as steel or cement, by our customer, the owner of the project;
- *Fixed-price provisions*: Contracts which entail our supply of certain materials, such as sand and aggregates, doors and windows, and frames, without price escalation clauses, where management of raw materials is critical to maintaining our material costs;
- *Lump-sum provisions*: Contracts which entail a single or lump sum price for the entire project, subject to variations pursuant to changes in the customer's project requirements; the customer provides all material information relating to the project to enable us to estimate quantities of materials and labor to be used to execute the project, and consequently to determine our bid price; we generally construct residential and office buildings and complexes pursuant to lump-sum provisions;
- *Unit-price provisions*: Contracts which require us to quote prices for each individual item listed on the bill of quantities prepared by the customer at the time of the bid; any variation in the actual bill of quantities items against the amount tendered is compensated at the price provided for at the time of the bid in the bill of quantities; we generally construct industrial buildings and complexes pursuant to unit-price provisions;
- *Turnkey provisions*: Contracts which entail our providing a wide range of EPC services, from designing and engineering through providing finished projects; and
- *Specified scope provisions*: Contracts which require us to provide a limited range of services, such as a contract relating to just maintenance of property; such projects may or may not entail other parties providing other construction services, if any.

Price Variation of Materials and its Effects

Even with respect to variable-price contracts, we may not always be able to recoup the full cost of the raw materials used. For example, the price variation mechanism, if provided for, is generally limited to steel and cement only, and even these raw materials may contain upper thresholds outside of which we may not be reimbursed for any price variation. Any of these may impact upon our final EPC Contract cost and may reduce our margins.

Order Backlog

Our Order Backlog comprises of anticipated EPC Contract revenues from the uncompleted portion of existing EPC Contracts (which are defined as signed contracts for which all pre-conditions to entry into force have been met). The amount of Order Backlog does not necessarily indicate future income related to performance of that work. Owing to changes in project scope and schedule, we cannot predict with certainty when or if the Order Backlog will be performed and will generate revenues. In addition, even when a project proceeds on schedule, it is possible that contracting parties may default and fail to pay amounts owed. There may also be delays associated with collection of receivables from our clients.

Performance Guarantees

In most of our EPC Contracts with new customers (and other than those contracts with our Other Development Entities or pursuant to joint development agreements), we provide performance guarantees to our customer of between 5.00% and 10.00% of the value of the contract. These guarantees are provided in form of bank guarantees prior to the commencement of work. When the work on the contract has been virtually completed (i.e., the customer has occupied the premises but the certificate of completion is yet to be issued) and the customer acknowledges its virtual completion, the performance guarantee is returned. These performance guarantees are project-specific rather than customer-specific, and are therefore returned within three months after the virtual completion of each project, irrespective of how many other projects we continue to undertake for such customer. We generally retain insurance coverage until the repayment of the performance guarantee.

Project Warranties

In most of our EPC Contracts we provide warranties to indemnify for construction defects and faults for a period of 12 months from the date of virtual completion of the project by us. To provide for these warranties, we deliver to our customers bank guarantees or enable them to retain between 2.5% to 5% of the total cost of the contract, until the termination of the warranty period. We do not make provisions in our reserves for expenses that could be incurred for the provision of such warranties. We also enter into a back to back warranty arrangement in many cases.

Our Real Estate Development Business

In our real estate development business, we develop a diverse range of projects such as residential and office complexes, shopping malls, multiplexes, hotels, IT parks, community centres and other buildings. As of October 31, 2007, we and our Other Development Entities have completed an aggregate of 36 real estate development projects aggregating to 3.39 million square feet of Saleable Area. In addition, we have sold land and land development rights aggregating to over 1.69 million square feet of Saleable Area. The Ongoing and Forthcoming projects developed by us and our Other development Entities include 45 projects of an aggregate Saleable Area of 34.69 million square feet.

The following table sets forth our and our Other Development Entities' significant completed real estate development projects (with Saleable Area of more than 0.10 million square feet) as on October 31, 2007:

Project Name	Location	Name of Developer	Relation with developer	Our Interest in the Developer	Project Type	Date of Completion of Construction	Saleable Area (Sq. ft.)
Bungalows	Maharashtra	Marigold Premises Private Limited	Associate	50%	Residential	May 2004	200,477
Ivy Glen	Maharashtra	Marigold Premises Private Limited.	Associate	50%	Residential	September 2007	159,979
Marisoft - I	Maharashtra	Marigold Premises Private Limited.	Associate	50%	Commercial	March 2003	114,009
Marisoft - III	Maharashtra	Marigold Premises	Associate	50%	Commercial	February 2005	265,935

Project Name	Location	Name of Developer	Relation with developer	Our Interest in the Developer	Project Type	Date of Completion of Construction	Saleable Area (Sq. ft.)
		Private Limited.					
Galaxy Resorts	Goa	Cosmos Premises Private Limited.	Subsidiary	90%	Hotel	May 2006	244,610
Weikfield – D	Maharashtra	Weikfield IT Citi Infopark	AOP	99% in profit and 100% in losses through 100% held Subsidiary, IT Citi Infopark Private Limited after deducting the revenue share of the other member	Commercial	June 2006	450,000
Marisoft - A Lifestyle	Maharashtra	Just Homes Associates	AOP	50% holding in Just Home (I) Private Limited, which is entitled to 100% profit in the AOP after deducting the revenue share of the other member	Commercial	March 2007	144,511
Marisoft - C Ventura	Maharashtra	Just Homes Associates	AOP	50% holding in Just Home (I) Private Limited, which is entitled to 100% profit in the AOP after deducting the revenue share of the other member	Commercial	May 2005	130,440
Al Monte	Maharashtra	Vascon Engineers Limited	-	-	IT Park	September 2007	332,543

Marisoft III

Marisoft III is one of our real estate development projects. It is a commercial development and is located at Kalyani Nagar, Pune, Maharashtra. We hold a 50% equity interest in the entity, Marigold Premises Private Limited, that has developed the project. The project consists of 0.27 million square feet of Saleable Area and houses various IT, software and business process outsourcing business. The project was completed in the fiscal year 2005.

Weikfield D

Weikfield D is also one of our real estate development projects. It is a commercial development and is located at Kalyani Nagar, Pune, Maharashtra. The project consists of 0.45 million square feet of Saleable Area and houses software and business process outsourcing business. The project was completed in the fiscal year 2007.

The following table sets forth our and our Other Development Entities'Ongoing and Forthcoming Projects as on October 31, 2007:

Project Name	Location	Name of Developer	Relation with Developer	Our Interest in the Developer	Economic Model	Project Type	Expected Date of Completion of Construction	Saleable Area (Sq. ft.)
Forest Hills	Maharashtra	Ajanta Enterprises	Partnership Firm	30%	Profit	Villas	March 2010	396,000
Forest Hills	Maharashtra	Ajanta Enterprises	Partnership Firm	30%	Profit	Apartments	March 2011	2,207,906

Project Name	Location	Name of Developer	Relation with Developer	Our Interest in the Developer	Economic Model	Project Type	Expected Date of Completion of Construction	Saleable Area (Sq. ft.)
Forest Hills	Maharashtra	Ajanta Enterprises	Partnership Firm	30%	Profit	IT Parks	March 2010	694,000
Forest Hills	Maharashtra	Ajanta Enterprises	Partnership Firm	30%	Profit	Commercial	March 2011	496,000
Willows	Maharashtra	Vascon Engineers Limited /Phoenix Habitat Private Limited			Revenue	Residential	March 2011	1,151,791
Weikfield IT Citi Infopark	Maharashtra	Weikfield IT Citi Infopark	AOP	99% in profit and 100% in losses through Vascon and its 100% subsidiary, IT Citi Infopark Private Limited., after deducting the revenue share of the other member	Revenue	IT Park	March 2010	550,000
Weikfield IT Citi Infopark	Maharashtra	Weikfield IT Citi Infopark	AOP	99% in profit and 100% in losses through Vascon and its 100% subsidiairy, IT Citi Infopark Private Limited after deducting the revenue share of the other member	Revenue	Hotel	March 2010	200,000
Windmere	Maharashtra	Vascon Engineers Limited			Revenue	Apartments/ Serviced Apartments	March 2010	435,315
Matrix	Maharashtra	Angelica Properties Private Limited	Associate	26%	Profit	Hotel / Commercial	March 2009	250,000
Matrix	Maharashtra	Angelica Properties Private Limited	Associate	26%	Profit	IT	March 2009	250,000
Hotel	Maharashtra	Vascon Engineers Limited			Revenue	Hotel	March 2009	450,000
Weikfield Annex	Maharashtra	Vascon Engineers Limited			Revenue	IT	March 2010	100,000
Zenith	Maharashtra	Zenith Ventures	AOP	100%	Revenue	Commercial, IT	March 2011	750,000
Phoenix Ventures	Maharashtra	Phoenix Ventures	AOP	50%	Profit	Serviced Apartments	March 2010	60,000
Phoenix Ventures	Maharashtra	Phoenix Ventures	AOP	50%	Profit	IT	March 2010	500,000
Spring Field	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Residential	March 2012	400,000
Spring Field	Maharashtra	Vascon Engineers Limited	-	-	Revenue	IT	March 2011	400,000
Spring Field	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Commercial - Finished	March 2012	220,000
Marisoft Annex	Maharashtra	Just Homes Associates	AOP	50% holding in Just Home (I) Private Limited which is entitled to 100% profit in the AOP after deducting the revenue share of other member	Revenue	Hotel, IT	March 2010	200,000
Zircon	Maharashtra	Zircon Ventures	AOP	100%	Revenue	Residential	March 2008	550,000
Zircon	Maharashtra	Zircon Ventures	AOP	100%	Revenue	Hotel, IT	March 2008	200,000
Marigold	Maharashtra	Marigold	Associate	50%	Profit	Residential	June 2012	1,013,513

Project Name	Location	Name of Developer	Relation with Developer	Our Interest in the Developer	Economic Model	Project Type	Expected Date of Completion of Construction	Saleable Area (Sq. ft.)
		Premises Private Limited						
Excel - Hadapsar	Maharashtra	Vascon Engineers Limited			Profit	Commercial / IT	March 2009	100,000
Hotel	Maharashtra	Viorica Properties Private Limited	Associate	37.50%	Profit	Hotel / Commercial	March 2009	200,000
Calypso	Maharashtra	Calypso Premises Private Limited	Subsidiary	63.00%	Profit	Apartments.	March 2012	1,500,000
Calypso	Maharashtra	Calypso Premises Private Limited	Subsidiary	63.00%	Profit	IT	March 2012	1,000,000
Calypso	Maharashtra	Calypso Premises Private Limited	Subsidiary	63.00%	Profit	Commercial	March 2012	500,000
Tulips Dwellings	Maharashtra	Vascon Dwellings Private Limited	Subsidiary	100%	Revenue	Residential	March 2011	200,000
V Tech Park	Maharashtra	Vascon Dwellings Private Limited	Subsidiary	100%	Revenue	IT	March 2010	700,000
Silver Spring	Maharashtra	Vascon Dwellings Private Limited	Subsidiary	100%		Hotel/ Residential	March 2010	300,000
Vista	Maharashtra	Vascon Dwellings Private Limited	Subsidiary	100%		Residential	March 2012	587,575
Vista Annex	Maharashtra	Vascon Dwellings Private Limited	Subsidiary	100%		Residential / Service Apartment	March 2010	115,000
Caladium - Bavdhan	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Villas	March 2012	1,073,000
Caladium - Bavdhan	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Residential	March 2012	1,788,000
Caladium - Bavdhan	Maharashtra	Vascon Engineers Limited	-	-	Revenue	IT Warm	March 2012	1,430,000
Caladium - Bavdhan	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Commercial	March 2012	1,073,000
Caladium - Bavdhan	Maharashtra	Vascon Engineers Limited	-	-	Revenue	Hotel,	March 2012	429,000
Golden Nest Annex	Maharashtra	Just Home (I) Private Limited	Associate	50%	Profit	Serviced Apartments	September 2009	118,000
Venus	Maharashtra	Vascon Engineers Limited			Profit	Township	March 2011	350,000
Symphony, Thane	Maharashtra	Mumbai Estate Private Limited	Associate	50%	Profit	Township (Residential)	March 2015	8,200,000
Bizarre Village	Kerala	Vascon Pricol Infrastructure Limited	Subsidiary	70%	Profit	Residential/Commercial	March 2012	1,600,000
Nucleus - Belgaum	Karnataka	Vascon Engineers Limited			Revenue	Commercial (Mall)	March 2010	150,000
Hotel Project - Airport Road - Coimbatore	Kerala	Vascon Pricol Infrastructure Limited	Subsidiary	70%	Profit	Hotel	March 2011	150,000
Nucleus - Zirakpur	Punjab	Vascon Engineers Limited			Revenue	Retail / Commercial	March 2010	250,000
Grey Stone - Aurangabad	Maharashtra	Marathwada Realtors Private Limited, John Fowler Ophthalmics Private Limited, Almet Corporation Limited	Associate	49%	Profit	IT Park / Commercial	March 2012	1,400,000

V Tech IT Park

The V Tech IT Park is a development project located at Nashik, Maharashtra approximately one kilometer

from the Mumbai-Agra road and 1.5 kilometers from the Mumbai naka with 0.70 million square feet of Saleable Area. On completion, the project will house an IT Park. We hold a 100% equity interest in Vascon Dwellings Private Limited, the project specific company that is implementing the development and have a revenue sharing arrangement with the land owner.

Weikfield IT Citi Infopark

The Weikfield IT Citi Infopark is a development project located at Pune, Maharashtra, on the fast growing IT Corridor on Pune -Nagar Road with 0.75 million square feet of Saleable Area. On completion, the project will house a modern IT Park. The project is expected to be complete by 2010.

Our Land Reserves

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

As of October 31, 2007, our Land Reserves aggregate approximately 501.06 acres, for which we have made certain advance payments aggregating approximately Rs. 2,965.45 million, and are further required to make aggregate additional payment of approximately Rs. 475.25 million.

Our Land Reserves are located in and around Pune, Coimbatore, Belgaum, Aurangabad and Thane. The following is a summary of our Land Reserves as on October 31, 2007:

S. No	Land Reserves (Category wise)	Acreage (Sq.ft millions)	% of total acreage	Estimated Developable Area (Sq.ft millions)	% of Developable Area
(i)	Land Owned by the Company				
	1. By itself	5.70	1.14	0.55	1.59
	2. Through its Subsidiaries	-	-	-	-
	3. Through entities other than (1) and (2) above	-	-	-	-
(ii)	Land over which the company has sole development rights				
	1. Directly by the Company	1.64	0.33	0.10	0.29
	2. Through its Subsidiaries	11.83	2.36	1.00	2.89
	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	148.23	29.58	10.31	29.73
(A)	***Sub-total (i)+(ii)+(iii):***	***167.40***	***33.41***	***11.97***	***34.49***
	Joint developments with partners				
(iv)	Land for which joint development agreements have been entered into by:				
	1. By the Company directly	24.30	4.85	1.99	5.73
	2. Through the Subsidiaries	41.22	8.23	2.50	7.21
	3. Through entities other than (1) and (2) above	216.43	43.19	14.44	41.63
(v)	Proportionate interest in lands owned indirectly by the Company through joint ventures	51.71	10.32	3.79	10.94
(B)	***Sub-total (iv)+(v):***	***333.66***	***66.59***	***22.72***	***65.51***
(C)	***Total (i)+(ii)+(iii)+(iv)+(v):***	**501.06**	**100**	**34.69**	**100**

(i) Lands owned by the Company

(i).1 By Itself:

Approximately 5.7 acres located in Pune constituting 1.14% of the total Land Reserves, is registered in our name through a deed of conveyance and we hold the valid title to this land. Of the said land we estimate to develop approximately 0.55 million Sq.ft. As on October 31, 2007, we have paid a sum of Rs. 100 million towards the purchase of these lands. See "Risk Factors-Internal Risks and Risks Relating to Our Business and Industry-The land owned by us in our name is 5.70 acres and is less than 2% of our total Land Reserves" on page xi.

Following are the details in relation to the aforesaid material agreement:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (Rupees in Millions)	Amount Paid as on October 31, 2007 (Rupees in Millions)
1.	Mouje Vadagon Sheri, Taluka Haveli, Pune	February 15, 2007	Jolly Steels Industries Private Limited and our Company	100.00	100.00

(i).2 Through its Subsidiaries:

We do not own any land through our Subsidiaries.

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

We do not own any land through any other entity 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:

We directly hold the sole development rights to approximately 1.64 acres of land located in Hadapsar, Pune constituting 0.33 % of the total Land Reserves. Of the said land, we estimate to develop approximately 0.10 million sq. ft. As on October 31, 2007, we have paid a sum of Rs. 715.00 million towards the development rights to these lands.

The following lands form part of this category. An explanation to each of the categories is provided below the table:

S .No	Development Rights arising pursuant to	Parties	Location	Amount paid as on October 31, 2007 (Rupees in Millions)	Amount payable (Rupees in Millions)	Area (In acres)[1]
a.	Joint Venture Agreement	Syndicate Realtors and our Company	Hadapsar, Pune	650.00	-	13.10
b.	Development Agreement	Ramdas Tukaram Tupe and Others and our Company	Hadapsar, Pune	65.00	-	1.28
	TOTAL			**715.00**	-	**14.38**

1. *Includes 12.74 acres of land developed and completed.*

As on October 31, 2007, we have paid no refundable or non-refundable deposits in relation to these lands.

Single Joint Venture Agreement with Syndicate Realtors

Vascon Hadapsar Ventures, a former partnership firm, in which our Company was a partner, entered into a single joint venture agreement dated June 5, 2006 and a supplementary agreement dated April 28, 2007 with Syndicate Realtors, a partnership firm, for the development of 13.44 acres of land located at Hadapsar, Pune. Out of the said 13.44 acres, 0.34 acres is required to be

allotted to the original owners of the land and the Developable Area shall stand reduced to that extent. According to the terms of the agreement, Syndicate Realtors, which has the exclusive development rights for the said land, has transferred all its rights to Vascon Hadapsar Ventures for a lump sum consideration payable to Syndicate Realtors. Pursuant to the deed of dissolution dated May 29, 2007, Vascon Hadapsar Ventures was dissolved and the business of the partnership is to be carried out by our Company. As per the agreement, if our Company gets any additional FSI, resulting in an increase in the Saleable Area exceeding 5,80,000 Sq. ft., then Syndicate Realtors shall be entitled to 40% of the gross sale proceeds on sale value realized on such additional area over and above 5,80,000 Sq. ft.

Development Agreement with Ramdas Tukaram Tupe and Others

Vascon Hadapsar Ventures, a former partnership firm, in which our Company was a partner entered into development agreement dated June 19, 2007 with Ramdas Tukaram Tupe and others for the development of 1.28 acres of land located at Hadapsar, Pune. Under the said agreement, the development rights for the said land were transferred to Vascon Hadapsar Ventures for a lump sum consideration payable to Ramdas Tukaram Tupe and others. Pursuant to the deed of dissolution dated May 29, 2007, Vascon Hadapsar Ventures was dissolved and the business of the partnership is carried out by our Company.

(ii).2 Through its Subsidiaries:

Our Company holds sole development rights of land through our Subsidiary, Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) to approximately 11.83 acres of land located in Nashik constituting 2.36% of the total Land Reserves. Of the said land we estimate to develop approximately 1.00 million square feet. As on October 31, 2007, we have paid a sum of Rs. 115.00 million towards the development rights to these lands. See "Risks Factors-Internal Risks and Risks Relating to Our Business and Industry-Since we implement many of our real estate development projects through project-specific Subsidiaries and Other Development Entities, we are substantially dependent on the performance of such Subsidiaries and Other Development Entities" on page xi.

The following lands form part of this category. An explanation to each of the categories is provided below the table:

S. No	Development Rights arising pursuant to	Parties	Location	Amount paid as on October 31, 2007 (Rupees in Millions)	Amount payable as on October 31, 2007 (Rupees in Millions)	Area (In acres)
a	Development Agreement	Legal heirs of Nivrutti and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	23.00	-	3.20
b.	Development Agreement	Navin Manilal Shah and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	15.00	-	1.97
c.	Development Agreement	Ms. Aparna Ajit Sanklecha and Others, Sanklecha Constructions and Vascon	Wadala, Nashik	9.00	-	0.74

S. No	Development Rights arising pursuant to	Parties	Location	Amount paid as on October 31, 2007 (Rupees in Millions)	Amount payable as on October 31, 2007 (Rupees in Millions)	Area (In acres)
		Dwellings Private Limited				
d	Development Agreement	Smt. Sushilabai K. Sanklecha and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	15.00	-	1.48
e.	Development Agreement	Lingansai N. Kalyanprasad and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	24.00	-	1.87
f.	Development Agreement	Devidas Koshti and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	9.00	-	0.61
g.	Development Agreement	Murlidhar Mahadu Khode and Others, Sanklecha Constructions and Vascon Dwellings Private Limited	Wadala, Nashik	20.00	-	1.96
	TOTAL			**115.00**	-	**11.83**

As on October 31, 2007, we have paid no refundable or non-refundable deposits in relation to these lands.

Land located at Nashik

a) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated December 6, 2006 with the legal heirs of Late Nivrutti Sawaliram Kashmire and others, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were originally transferred by the owners, for the development of 3.20 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

b) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated January 25, 2007 with Navin Shah and others, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were transferred originally by the owners, for the development of 1.97 acres of land located at situated at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

c) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated June 6, 2007 with Ms. Aparna Ajit Sanklecha, Ms. Payal Dilip Sanklecha as the owners of the land, and Sanklecha Constructions, a partnership firm

to whom the developments rights were originally transferred by the owners, for the development of 0.74 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

d) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated June 6, 2007 with Smt. Sushilabai K. Sanklecha and others, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were originally transferred by the owners, for the development of 1.48 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

e) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated June 6, 2007 with Shri Lingansai N. Kalyan Prasad and others, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were originally transferred by the owners, for the development of 1.87 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

f) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated June 6, 2007 with Shri Devidas D. Koshti and another, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were originally transferred by the owners, for the development of 0.61 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

g) Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated October 6, 2007 with Shri Muridhar Mahadu Khode and others, as the owners of the land, and Sanklecha Constructions, a partnership firm to whom the developments rights were transferred by the owners, for the development of 1.96 acres of land located at Wadala, Nashik. Under the said agreement, Sanklecha Constructions with the consent of the owners of the said land transferred the development rights of the said land to our Subsidiary for a lump sum consideration payable to Sanklecha Constructions.

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

We do 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 directly by the Company and through its Subsidiaries 'are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (In Rupees)	Amount Paid as on October 31, 2007 (In Rupees)	Deposit Paid as on October 31, 2007 (as a % of Agreement Value)
1.	Hadapsar, Pune	April 28, 2007	Syndicate Realtors and our Company	650.00	650.00	-
2.	Hadapsar, Pune	June 19, 2007	Ramdas Tukaram Tupe and Others and our Company	65.00	65.00	-
	TOTAL			**715.00**	**715.00**	**-**

The aggregate agreement value of the non-material agreements in this category is Rs. 115.00 million the aggregate amount paid is Rs. 115.00 million and the deposit paid as a percentage of the aggregate amount value is nil.

(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:

Approximately 148.23 acres, located in Pune and Coimbatore constituting 29.58% of the total Land Reserves, are held under this category. Of the said lands, our Company directly and through its Subsidiaries, Calypso Premises Private Limited and Vascon Pricol Infrastructures Limited, expects to develop approximately 10.31 million square feet constituting 29.73% of the total Developable Area. As on October 31, 2007, we have paid a sum of Rs. 338.32 million towards the purchase of these lands. See "Risk Factors-Internal Risks and Risks Relating to Our Business and Industry- We may not be able to complete the acquisitions or registrations of the land for which we, our Subsidiaries or Other Development Entities, have entered into agreements to purchase" on page xiv.

The following lands form part of this category. An explanation to each of the categories is provided below the table:

S.No	Agreement	Location	Parties	Amount paid as on October 31, 2007 (Rupees in Millions)	Amount payable as on October 31, 2007S (Rupees in Millions)	Area (In acres)
1.	Memorandum of Understanding	Mhalunge, Pune	Subhash Tippanna Nelge and Shivkumar Tippanna Nelge and our Company	-	-	15.06
2.	Memorandum of Understanding	Wagholi, Pune	Venus Ventures and our Company	22.28	-	5.50
3.	Memorandum of Understanding	Bavdhan, Pune	Kaps Infrastructure Private Limited and our Company	-	-	95.00
4.	Memorandum of Understanding	Kharadhi, Pune	Calypso Premises Private Limited and Tushad Behram Dubash Trust, Ria Behram Dubash Trust and others	246.04	363.04	31.50*
5.	Agreement for sale	Kalapatti, Coimbatore	Vascon Pricol Infrastructures Limited and Vijay Mohan	70.00	-	1.17
	TOTAL			**338.31**	**363.04**	**148.23**

**Inclusive of the land allotted to Calypso Premises Private Limited pursuant to the Development Agreement dated May 15, 2007, Deed of Assignment of Development Rights dated May 15, 2007 and Deed of Assignment of Development Rights dated October 5, 2007*

As on October 31, 2007, we have paid a sum of Rs. 67.50 million towards refundable deposits in relation to these lands.

Land subject to private acquisition:

i. *By itself*

a) Our Company has entered into a MoU dated July 23, 2005 with Subhash Tippanna Nelge and Shivkumar Tippanna Nelge, as the owners of the land, for the development of 15.06 acres land located at Mhalunge, Pune. Pursuant to the MoU, the parties will execute definitive documents in the nature of a development agreement or a partnership deed or form an AOP or a joint venture. The owners of the land shall transfer the development rights of the said land to our Company. Further, the gross sale proceeds of the saleable premises constructed on the property or the built up area shall be apportioned between our Company and the owners in the ratio of 72:28 respectively.

b) Our Company has entered into a MoU dated October 25, 2007 with Venus Ventures, a partnership firm comprising of our Promoters, R. Vasudevan and Lalita Vasudevan, for the purchase and development of 260.00 acres of land located at Wagholi, Pune. As stated in the MoU, out of the said land, Venus Ventures has acquired 5.50 acres of land and is in the process of acquiring the remaining land. Although the said land is falling in the agricultural zone, the same has been acquired for the purpose of developing a special township as per the Special Township Notification. For further details on the Special Township Notification, see "Regulations and Policies" at page 89. Under the terms of the MoU, our Company has paid a consideration of Rs. 22,275,000 directly to the land owners. In the event that Venus Ventures is able to acquire more than 130 acres of land as is required under the Special Township Project, within 60 days, then the total consideration would stand increased from Rs. 4,050,000 per acre to Rs. 4,500,000 per acre. In the event of the transaction not being completed, Venus Ventures shall be liable to refund the total amount received by to our Company.

c) Our Company has entered into a MoU dated March 6, 2007 with Kaps Infrastructure Private Limited, as the owners of the land, for the development of 110 acres of land located at Bavdhan, Pune. Out of the said land, the owners have already acquired 95.00 acres. Although the said land is falling in the agricultural zone, the same has been acquired for the purpose of developing a special township as per the Special Township Notification. For further details on the Special Township Notification, see "Regulations and Policies" at page 89. Further, our Company shall receive gross sale proceeds of the saleable premises constructed on the property ranging between 52% and 72% depending on the selling price selling price of units per square feet built up area as specified in the MoU.

ii. By its Subsidiaries

A. *Agreements entered into by Calypso Premises Private Limited*

MoU by Calypso Premises Private Limited

d) Our Company and our Subsidiary, Calypso Premises Private Limited have entered into a MoU dated August 31, 2006 with Tushad Behram Dubash Trust, Ria Behram Dubash Trust, as the owners of the land, for the development of 32.61 acres of land located at Kharadhi, Pune. Under the said MoU, the owners have agreed to transfer the development rights in the said land to the Calypso Premises Private Limited. Further, a lump sum consideration is payable to the owners. The consideration has to be paid by our Company through our Subsidiary.

Agreements for development rights by Calypso Premises Private Limited

e) Calypso Premises Private Limited has entered into a deed of assignment of development rights dated May 15, 2007 with Shrikrishna Narayan Dandawate and others, as the owners of the land, and Sohli Dinkoo Chenoy, to whom the development rights were originally assigned by the owners, for the development of 0.86 acres of land located at village Kharadhi, Pune. Under the said agreement, Sohli Dinkoo Chenoy with the consent of the owners of the said land transferred the development rights in the said land to our Subsidiary for a lump sum consideration payable to Sohli Dinkoo Chenoy.

f) Calypso Premises Private Limited has entered into a development agreement dated May 15, 2007 with Sohli Donkoo Chenoy, to whom the development rights were originally assigned by the owners of the land, for the development of a total of 0.96 acres of land located at village Kharadhi, Pune. Under the said agreement, Sohli Dinkoo Chenoy with the consent of the owners transferred the development rights in the said land to our Subsidiary for a lump sum consideration payable to Sohli Dinkoo Chenoy.

g) Calypso Premises Private Limited has entered into a deed of assignment of development rights dated October 5, 2007 with Sitaram Bhikoba and others, as the owners of the land, and Samrat Builders and Developers, to whom the development rights were originally assigned by the owners of the land, for the development of 2.93 acres of land located at village Kharadhi, Pune. Under the said agreement, Samrat Builders and Developers with the consent of the owners transferred the development rights in the said land to our Subsidiary for a lump sum consideration payable to Samrat Builders and Developers. Our Company has received objections dated August 30, 2007, September 1, 2007 and August 27, 2007 from (1) Chandrashekhar V. Paranjape (2) Swati Prakash Paranjape (3) Ramchandra Vishnu Paranjape stating that the said property is subject matter of a civil suit No. 1397 of 1923 before the Civil Judge, Pune.

In relation to the lands mentioned under "MoU – by its Subsidiaries – Agreements entered into by Calypso Premises Private Limited", a consent decree dated April 24, 2007 was passed by the Court of Civil Judge, Senior Division, Pune whereby Pentagon Shrimangal Ramdev Developers was handed over possession, title and right over land measuring 0.50 acres. Further out of the total land of 37.36 acres, land measuring 5.86 acres has been developed and completed.

B. Agreements entered into by Vascon Pricol Infrastructures Limited

Vascon Pricol Infrastructures Limited has entered into an agreement for sale dated April 27, 2007 with Vijay Mohan for 1.17 acres of land located at Kalapatti, Coimbatore.

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., 'Memorandum of Understanding/ Agreements to Acquire/ Letters of Acceptance to which Company and/or its Subsidiaries and/or its group companies are parties' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (Rupees in Millions)	Amount Paid as on October 31, 2007 (Rupees in Millions)	Deposit Paid as on October 31, 2007 (as a % of Agreement Value)
1.	Kharadhi, Pune	August 31, 2006	Tushad Behram Trust, Calypso Premises Private Limited and our Company	609.07	246.04	-
	TOTAL			**609.07**	**246.04**	**-**

The aggregate agreement value of the non-material agreements in this category is Rs. 92.28 million the aggregate amount paid is Rs. 92.28 million and the deposit paid as a percentage of the aggregate amount value is 57.75%.

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

(iv).1 By the Company directly:

Approximately 24.30 acres, located in and around Pune, Punjab and Belgaum constituting 4.85 % of the total Land Reserves, are held under this category. Of the said lands we estimate to develop approximately 1.99 million Sq. ft. constituting 5.73% of the total Developable Area.

The details of the joint development agreements, the name of the landowner, 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 on October 31, 2007 (Rs in millions)	Amount payable as on October 31, 2007 (Rs in millions)	Area (In acres)
1.	Pune	Ghorpadi	February 6, 2003	Rajesh Builders and our Company	-	-	4.75
2.	Punjab	Mohali	March 27, 2007	ABC Sites Limited and our Company	25.00*	-	1.94
3.	Pune	Balewadi	June 19, 2007	Garood Developers Private Limited, Phoenix Habitats Private Limited and our Company	-		15.88
4.	Belgaum	Angol	October 21, 2007	Madhukar Madhavrao Athanikar, A&W Promoters & Developers Private Limited and our Company	-	-	1.73
	TOTAL				-	-	**24.30**

* Paid as non-refundable security deposit

As on October 31, 2007, we have paid a sum of Rs. 106.10 million towards refundable deposits in relation to these lands.

Our Company has entered into a single joint venture agreement dated February 6, 2003 with Rajesh Builders, a partnership firm, who has acquired the development rights over the land from the owners of the land, to jointly develop 4.75 acres of land located at Ghorpadi, Pune. Under the terms of the agreement, the gross sale proceeds are to be distributed between our Company and Rajesh Builders as 56.25% and 43.75% respectively. In addition, Rajesh Builders are entitled to 2250 to 2500 sq feet built up area on the first floor of the building constructed on the land. The additional collector under the Urban Land Ceiling Act issued a letter dated August 23, 2004 stating that the owner should not effect any transfer of the land. The said authority further issued a show cause notice dated December 18, 2004, whereby it held that in violation of the previous order construction activity on the said land was still being carried out, and the owners were asked to submit an explanation as to why no action should be taken against them.

Our Company has entered into a single joint venture agreement dated March 27, 2007 and a supplementary agreement dated May 5, 2007 with ABC Sites Limited, as the owners of the land, for the joint development of 1.94 acres of land located at Dera Bassi, Mohali, Punjab. Under the said agreement, ABC Sites Limited has transferred the development rights in the said land to our Company. Further, it has been agreed that our Company is entitled to 1% of the total gross sales proceeds or of 2% of the total cost of construction whichever is higher, as management fees. It is further agreed that as consideration for jointly developing the property, the balance gross sale proceeds (that is, after deduction of the aforesaid management fees) received from the gross rent or revenue or other deposits as consideration for development will be shared between our Company and ABC Sites Limited equally. Further, an addendum to supplementary agreement was entered into between the parties on May 5, 2007 whereby it was agreed that our Company shall take prior permission of ABC sites Limited before disposing off or leasing, giving on leave and license basis or letting out or otherwise dealing with the units constructed on the said land.

Our Company has entered into a single joint venture agreement dated June 19, 2007 with Garood Developers Private Limited who had originally acquired the development rights over the land from the owners of the land, and Phoenix Habitats Private Limited, as co-developers, for the development of 15.88 acres of land located at Balewadi, Pune. Under the said agreement, Garood Developers Private Limited has transferred the development rights in the said land to our Company and Phoenix Habitats Private Limited.

Under the terms of agreement, the gross sale proceeds received from the sale of the units will be distributed between our Company, Garood Developers Private Limited and Phoenix Habitats Private Limited as 56%, 30% and 14% respectively.

Our Company has entered into single joint venture agreement dated October 21, 2007 with Madhukar Madhavrao Athanikar, as the owner of the land, and A&W Promoters & Developers Private Limited, for the development of 1.73 acres of land located at village Angol, Belgaum, Karnataka. Prior to the execution of the said agreement, an agreement to lease dated August 24, 2006 was entered into between Madhukar Madhavrao Athanikar and A&W Promoters & Developers Private Limited whereby the parties agreed to enter into a lease deed on a subsequent date. The said land is agricultural land. Under the said agreement, A&W Promoters & Developers Private Limited is required to obtain approval from the relevant statutory authority for utilising the said land for non-agriculture purposes. Upon entering into a lease deed with Madhukar Madhavrao Athanikar, A&W Promoters & Developers Private Limited will assign the leasehold rights to our Company for the development of the said land. It is further agreed that the said lease deed between Madhukar Madhavrao Athanikar and A&W Promoters & Developers Private Limited shall be for a period of 29 years with a renewal clause for another period not exceeding 29 years. Further, in case of subsequent lease of the said property upon development to prospective customers, the lease term shall not be for a period exceeding the unexpired term under the lease deed executed between Madhukar Madhavrao Athanikar and A&W Promoters & Developers Private Limited, with a renewal clause for another period not exceeding 29 years. Further, the said property has been given as a collateral security to Punjab National Bank till the first loan instalment taken by A&W Promoters & Developers Private Limited is repaid to the bank has given. The bank has given a no objection certificate dated June 15, 2007 regarding the development of the property. Under the terms of the agreement, neither party can dispose/ assign their right under the said agreement for a period of two years from the date of completion of the construction work on the said property. Under the terms of the agreement, the gross receipts received from the gross rent/revenues/licence fees and other receipts from the developed property will be distributed between A&W Promoters & Developers Private Limited and our Company in the ratio of 37: 63 respectively.

(iv).2 Through the Subsidiaries:

Approximately 41.22 acres, located in Pune and Coimbatore constituting 8.23% of the total Land Reserves, are held under this category. Of the said lands our Company through our Subsidiaries Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) and Vascon Pricol Infrastructures Limited expect to develop approximately 2.50 million Sq. ft constituting 7.21% of the total Developable Area. As on October 31, 2007, we have paid no amount towards the purchase of these lands. See "Risk Factor-Internal Risks and Risks Relating to Our Business and Industry- Since we implement many of our real estate development projects through project-specific Subsidiaries and Other Development Entities, we are substantially dependent on the performance of such Subsidiaries and Other Development Entities" on page xi.

The details of the joint development agreements, the name of the landowner, 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 to	Amount paid as on October 31, 2007 (Rs in Millions)	Amount payable as on October 31, 2007 (Rs in Million s)	Area (In acres)
1.	Pune	Undri	August 3,2006	Anil Ganpatrao Indulkar and Vascon Dwellings Private Limited	-	-	5.42
2.	Wadala	Nashik	October 19, 2006	Sanklecha Constructions and Vascon Dwellings Private Limited	-	-	7.10
3.	Coimbatore	Neelambur	August 30,	Pricol Group	-	-	28.7

S.No	City	Location	Date of the Agreement	Parties to	Amount paid as on October 31, 2007 (Rs in Millions)	Amount payable as on October 31, 2007 (Rs in Million s)	Area (In acres)
			2007	and Vascon Pricol Infrastructures Limited			
	TOTAL				**-**	**-**	**41.22**

As on October 31, 2007, we have paid a sum of Rs. 25.00 million towards refundable deposits in relation to these lands.

Vascon Dwellings Private Limited

Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a single joint venture agreement dated August 3, 2006 with Anil Ganpatrao Indulkar, as the owner of the land, to jointly development 5.42 acres of land located at Undri, Pune. It is further agreed that the gross sale proceeds received from the sale of the units will be distributed between our Subsidiary and Anil Ganpatrao Indulkar in the ratio of 72:28.

Vascon Dwellings Private Limited (formerly known as Tulip Dwellings Private Limited) has entered into a development agreement dated October 19, 2006 with Sanklecha Constructions, a partnership firm, to whom originally the developments rights were transferred by the owners of the land, to jointly develop 7.10 acres of land located at Wadala, Nashik and the consent of the owners have been obtained in this regard. Under the terms of the agreement, the gross sale proceeds received from the sale of the units will be distributed between Sanklecha Constructions and our Subsidiary as 76.25% and 23.75% respectively.

Vascon Pricol Infrastructures Limited

Vascon Pricol Infrastructures Limited has entered into a development agreement dated August 30, 2007 with the Pricol group, as the owners of the land, for the development of 28.7 acres of land located at Neelambur, Coimbatore through Vascon Pricol Infrastructures Limited. Under the terms of the agreement, the total constructed area shall be shares by the Pricol group and Vascon Pricol Infrastructures Limited in the ratio 22:78 respectively. Further, the parties upon finalization of the development plans, will demarcate the area in the aforesaid ratio. In the event of such demarcation not being practically possible to arrive at the said ratio, the parties receiving additional area shall compensate to the other party for such additional area by a proportionate amount at market value. It has been further agreed that in the alternate if the parties are not able to demarcate the area or do not desire to do so, then the gross sale proceeds received from the sale, rent, revenue or other deposits from the developed property will be distributed between the Pricol group and our Subsidiary in the ratio of 22:78 respectively. Further, in the event the completion of the project is 75% or less of the total development, the Pricol group shall have a right to receive an additional 5% of the area in the balanced developed property or an additional 5% of the balance gross sale proceeds.

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

Lands falling under this category include lands owned by companies in which we have a stake or entities where we have formed AOPs with other parties. See "Risk Factors-Internal Risks and Risks Relating to our Business and Industry-Since we implement many of our real estate development projects through project-specific Subsidiaries and Other Development Entities, we are substantially dependent on the performance of such Subsidiaries and Other Development Entities" on page xi and "Risk Factors-Internal Risks and Risks Relating to our Business and Industry -We depend upon the fulfillment of the obligations of our joint venture partners, as well as the products and services of a number of suppliers and sub-contractors, in the operation of our business' on page xii.

Approximately 216.43 acres, located in Pune and Coimbatore constituting 43.19% of the total Land Reserves, are held under this category. Of the said lands we expect to develop approximately 14.44 million sq. ft constituting 41.63% of the total Developable Area. As on October 31, 2007, we have paid a sum of Rs. 1,672.15 million towards the purchase of these lands.

The details of the joint development agreements, the name of the landowner, 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 on October 31, 2007 (Rs in Millions)	Amount payable as on October 31, 2007 (Rs in Millions)	Area (In acres)
1.	Pune	Vadgaon Sheri	November 27, 2002	Irene John Paul/ Edward Paul and Just Homes (India) Private Limited	-	-	1.36
2.	Pune	Vadgaon Haveli	June 15, 2004	Just Homes (India) Private Limited, Marigold Premises Private Limited and Rock Enterprises	15.63	-	3.67
3.	Pune	Kharadhi	February 3, 2005	Zenith Ventures, Gajarbai Murlidhar Kate and others, and Ganaraj Developers	24.00	-	5.03
4.	Pune	Kharadhi	November 8, 2005	Zenith Ventures, Dr. Vijay Tatyarao Dangat, Ganaraj Developers, and Suyash Realtors Private Limited	10.29	-	3.63
5.	Pune	Vadgaon Sheri	December 19, 2003, May 10, 2004 and July 3, 2006	Weikfield Products Company (I) Private Limited, IT Citi Infopark Private Limited and our Company	43.72	-	8.05
6.	Pune	Hinjewadi	September 20, 2005, February 17, 2005	A.N. Bhosale, Jaspers Developers Private Limited and our Company	-	-	7.45
7.	Pune	Lohagaon	December 13, 2004	Sreemaangal Pristine Builders and our Company	90.00	-	10.79
8.	Mumbai-Pune Road	Sangamwadi Shivaji Nagar	October 31, 2006	Angelica Properties Private Limited,	1,000.00	-	5.87

S.No	City	Location	Date of the Agreement	Parties	Amount paid as on October 31, 2007 (Rs in Millions)	Amount payable as on October 31, 2007 (Rs in Millions)	Area (In acres)
				Gulabbhai S. Shah and others, Clover Resorts Private Limited (a former subsidiary of our Company) and our Company			
9.	Pune	Vadgaon Sheri	October 31, 2006, September 10, 1997	Marigold Premises Private Limited, Harakchand Uttamchand Khinvasara and others	331.00	-	7.00*
10.	Pune	Mhalunge	May 8, 2006	Viorica Properties Private Limited, Shri Parameshwar Properties, Ramakrishna Govind Rane and others	20.00	-	1.82
11.	Pune	Mhalunge	January 23, 2007	Viorica Properties Private Limited, Gurukrupa Developers, Mrs Lalita Pannalal Lunavat and Pannalal Dhulchand Lunavat	16.00	-	0.95
12.	Pune	Mhalunge	October 31, 2006	Viorica Properties Private Limited, Dharmendra L. Joshi and Parmeshwar Properties, Vijay P. Uplenchwar, Suhas S. Paddalwar and another, and Nareshkumar Aneja and others	4.03	-	0.35
13.	Aurangabad**	Bivagarh	October 15, 2007	John Fowler Opthalmics Private Limited and our Company	0.02	-	5.95
14	Aurangabad	Bivagarh	October	Marathwada	0.003	-	5.44

S.No	City	Location	Date of the Agreement	Parties	Amount paid as on October 31, 2007 (Rs in Millions)	Amount payable as on October 31, 2007 (Rs in Millions)	Area (In acres)
			15, 2007	Realtors Private Limited and our Company			
15.	Aurangabad	Bivagarh	October 15, 2007	Almet Corporation Limited and our Company	0.03	-	3.52
16.	Thane	Anjur	Various dates	Various owners	117.43	-	145.54
	TOTAL				**1,672.15**	**112.21**	**216.43**

**** includes portion of land being purchased by Marigold Premises Private Limited pursuant to execution of deeds of indentures dated September 10, 2007.***

As on October 31, 2007, we have paid no refundable/ non-refundable deposits in relation to these lands.

Just Homes (India) Private Limited

Just Homes (India) Private Limited has entered into two single joint venture agreements, both dated November 27, 2002, one with Irene John Paul and the other with Edward Paul and others, as the owners of the land, for the development of 3 acres of land located at Vadgaon Sheri, Pune. Under the terms of the agreements, the proceeds from the gross sale of the structures constructed will be distributed between the parties as 40% to the owner towards cost of the land, and 60% to Just Homes (India) Private Limited towards development and construction cost. Out of the said land available for development, 1.64 acres of land has already been developed.

Just Homes Associates

A single joint venture agreement dated June 15, 2004 has been entered into between Just Homes (India) Private Limited, as the developer of the land, Marigold Premises Private Limited, as a confirming party and Rock Enterprises, a partnership firm, as the owners of the land, for the purpose of forming an AOP titled 'Just Homes Associates'. The AOP has been formed for development, construction and sale of 8.92 acres of land located at Vadgaon Haveli, Pune. Under the terms of the agreement, an amount equivalent to the difference between 42.50% of the gross sale proceeds and the cost of land brought in by Rock Enterprises will be debited to the Profit and Loss Appropriation Account and credited to the current account of the Rock Enterprises. The net balance available in the Profit and Loss Appropriation Account after deducting the income tax, shall be credited/debited to the account of the Just Homes (India) Private Limited. Out of the said land available for development, 5.25 acres of land has already been developed

Zenith Ventures

Our Company has entered into a single joint venture agreement dated February 2, 2005 and the addendum agreement dated August 10, 2006 with Sumangal Enterprises, a partnership firm, to form an AOP titled 'Zenith Ventures' to jointly acquire the development rights for development of certain lands located at Kharadi, Pune. Under the terms of the addendum agreement, Sumangal Enterprises is entitled to 42.5% of the gross sale proceeds of the shops in the mall sold or leased. The amount so arrived will be assumed to be inclusive of the capital contribution made by Sumangal Enterprises for the purchase of the said land. Our Company will be entitled to the profit arrived after deducting expenses including statutory liabilities,payment relating to the project and fixed share of profit of Sumangal Enterprises.

Subsequently, a development agreement dated February 3, 2005 was entered into between Zenith Ventures, as the developer, Gajarbai Murlidhar Kate and others, as the owners, and Ganaraj Developers, a partnership firm, as the consenting party to whom the development rights were transferred by the owners, for the development of 5.03 acres of land located at Kharadhi, Pune. Under the terms of the development agreement, Zenith Ventures has to pay a lump sum consideration to Ganaraj Developers for relinquishing their rights in the said land.

Zenith Ventures has entered into a development agreement dated November 8, 2005 with Dr. Vijay Tatyarao Dangat, the owner of the land, Ganaraj Developers, a partnership firm, and Suyash Realtors

Private Limited as the consenting parties to whom development rights were transferred by the owners, for the development of land located at 3.63 acres of land located at Kharadhi, Pune. Under the said agreement, Dr. Vijay Tatyarao Dangat has transferred development rights in the said property to Zenith Ventures for a lump sum consideration payable to the owner and the consenting parties.

Weikfield IT Citi Infopark

IT Citi Infopark Private Limited, as a developer, has entered into single joint venture agreement dated December 19, 2003 and the addendum agreement dated May 10, 2004 with Weikfield Products Company (I) Private Limited, the owner of the land, for the purpose of forming an AOP titled 'Weikfield IT-Citi Infopark'. The AOP has been formed for the purpose of development, construction and sale of 12.97 acres land located at Vadgaonsheri, Pune. Subsequently a supplementary single joint venture agreement dated July 3, 2006 was entered into between our Company, IT Citi Infopark Private Limited and Weikfield Products Company (I) Private Limited, whereby our Company became a party to the AOP for the purpose of managing the development work, marketing the development and other related activities stated in the agreement. Under the terms of the agreement, 37% of the gross sale or lease proceeds shall be first provided as share of the profit of Weikfield Products Company (I) Private Limited. The said 37% shall be treated as a charge on the profit payable to Weikfield Products Company (I) Private Limited. Further, 15% of the gross sale or lease proceeds shall be provided as share of the profit of our Company. The said 15 % shall be treated as a charge on the profit payable to our Company. The resultant profit and loss after providing for the 37% and 15% shares as stated above, shall be further shared between Weikfield Products Company (I) Private Limited, IT Citi Infopark Private Limited and our Company as, in case of profits, in the ratio of 1:98:1 respectively, and in case of loss, in the ration 0:99:1 respectively. It is further agreed that the amount of profit payable to Weikfield Products Company (I) Private Limited shall be after adjusting a lump sum amount of consideration as mentioned in the agreement payable to Weikfield Products Company (I) Private Limited being the cost of the land contributed by Weikfield Products Company (I) Private Limited as capital in kind in the AOP. The commission or brokerage payable in respect of the sale and lease units to be constructed on the said land shall be borne by the parties in the proportion of 37% by Sumangal Enterprises, 48% by IT Citi Infopark Private Limited and 15% by our Company. Out of the said land available for development, 4.92 acres of land has already been completed.

Phoenix Ventures

Our Company, as a developer, had entered into a development agreement dated February 17, 2005 with A.N. Bhosale, the owner of the land, for the development of 7.45 acres of land located at Hinjewadi, Mulshi, Pune. Under the said agreement, A.N. Bhosale has transferred the development rights to our Company for an agreed lump sum consideration specified in the agreement. Subsequently, our Company has entered into a single joint venture agreement dated September 20, 2005 with Jaspers Developers Private Limited for the purpose of forming an AOP titled 'Phoenix Ventures'. The AOP has been formed for jointly developing the said land. Under the terms of the agreement, our Company shall be eligible for a project management fee of 10% of the total cost of the project. The balance 90% of the profits shall be shared between the parties equally.

Zircon Ventures

Our Company, as a co-developer, has entered into a single joint venture agreement dated December 13, 2004 with Sreemaangal Pristine Builders, the developers of the land, to whom the development rights were transferred by the owners of the land, for the purpose of forming an AOP titled 'Zircon Ventures.' The AOP has been formed for the development and sale of 10.79 acres of land located at Lohagaon, Pune. Under the terms of the said agreement, an amount equivalent to the difference between 33% of the gross sale proceeds and the cost of land brought in by the Sreemaangal Pristine Builders will be debited to the profit and loss appropriation account and credited to the current account of the Sreemaangal Pristine Builders. The net balance available in the profit and loss appropriation account, shall be credited/debited to the account of our Company. Sanjay Ajwani and others have filed a civil suit no. 1202 of 2005 in September 2005 against Down Town Estate Developers Private Limited and others, including our Company and Zircon Ventures. For further information, see "Outstanding Litigation and Defaults" on page 243.

Angelica Properties Private Limited

Angelica Properties Private Limited, a developer, has entered into a development agreement dated October 31, 2006 with Clover Resorts Private Limited, our Company and Gulabbhai S. Shah and others, being the

owners and the consenting parties to this agreement, for the development of 5.87 acres of land located at Sangamwadi Shivaji Nagar along Mumbai-Pune Road. Prior to the said agreement, Gulabbhai S. Shah and others had transferred the development rights in the said land to Clover Resorts Private Limited. Pursuant to the aforesaid development agreement, our Company and Clover Resorts Private Limited transferred the development rights to Angelica Properties Private Limited for a lump sum consideration stated in the agreement payable by Angelica Properties Private Limited to our Company. Subsequently, vide a court merger order dated January 19, 2007, Clover Resorts Private Limited was merged with our Company.

Marigold Premises Private Limited

Marigold Premises Private Limited, as a developer, has entered into a development agreement dated March 28, 2002 with Harakchand Uttamchand Khinvasara and others, being the owners of the land, for the development of the undivided share of the owners in the land measuring 45.06 acres located at Vadgaon Sheri, Pune. Under the said agreement, the owners have transferred development rights in the said land to Marigold Premises Private Limited for a lump sum consideration mentioned in the said agreement payable to the owners by Marigold Premises Private Limited.

Further, in order to acquire the balance undivided interest in the said land measuring 45.06 acres, Marigold Premises Private Limited has entered into 12 deeds of indentures, all dated September 10, 2007, with various landowners for purchase of their undivided interest in the said land.

Further, out of the said land measuring 45.06 acres, 10.33 acres have been transferred to Rock Enterprises under an order of the Bombay High Court dated March 17, 1997 in the suit no 2175 of 1996. Further, out of the balance area of 34.73 acres, 27.73 acres has already been developed.

Viorica Properties Private Limited

Viorica Properties Private Limited, as a developer, has entered into a deed of assignment of development rights dated May 8, 2006 with Shri Parameshwar Properties, as the assignors of the development rights, and Ramakrishna Govind Rane and others, being the owners of the land and consenting parties to this agreement, for the development of 1.82 acres of land located at Mhalunge, Pune. Under the said agreement, Shri Parameshwar Properties, a partnership firm, to whom the development rights in the said land were transferred by the owners, transferred the said development rights to Viorica Properties Private Limited for a lump sum consideration mentioned in the agreement, payable by Viorica Properties Private Limited to Shri Parameshwar Properties.

Viorica Properties Private Limited as a developer, and Gurukrupa Developers, a partnership firm, has entered into two development agreements, both dated January 23, 2007 with Mrs Lalita Pannalal Lunavat and Pannalal Dhulchand Lunavat respectively, for the development of a total of 0.95 acres of land located at Mhalunge, Pune. Under the said agreements, Viorica Properties Private Limited has been transferred development rights in the said land for a lump sum consideration as mentioned in the said agreements payable by Viorica Properties Private Limited to Gurukrupa Developers, Mrs Lalita Pannalal Lunavat and Pannalal Dhulchand Lunavat.

Viorica Properties Private Limited, as a developer, has entered into three deeds of assignment of development rights, all dated October 31, 2006, with Dharmendra L. Joshi and Parmeshwar Properties as the respective assignors of the development rights in the lands and Vijay P. Uplenchwar, Suhas S. Paddalwar, Sudhakar G. Paddalwar and Nareshkumar Aneja and others, being the respective owners of the said lands and the consenting parties to the agreements, for the development of a total of 0.35 acres of lands located at Mhalunge, Pune. Under the said agreements, Viorica Properties Private Limited has been transferred the development rights in the said lands for a lump sum consideration as mentioned in the agreements payable by Viorica Properties Private Limited to the assignors and the owners.

Land located at Aurangabad

Our Company has subscribed to and has been allotted 49% of the equity share capital of John Fowler Ophthalmics Private Limited and has entered into shareholders agreement and the share subscription agreement, both dated October 15, 2007 in this regard. According to the said agreements, John Fowler Ophthalmics Private Limited holds leasehold rights in 5.95 acres of land located at Bivagarh, Aurangabad. It is further stated in the said agreements that our Company will be responsible for designing, planning, construction, development of the project and also marketing the said units in the project as per the terms and conditions, including the fees as may be agreed by John Fowler Ophthalmics Private Limited. John

Fowler Ophthalmics Private Limited has acquired the right over the said property through a license agreement dated January 16, 1970, a supplementary agreement dated May 12, 1997 and order of MIDC dated March 29, 1997. For further details refer to History and Certain Corporate matters- Other Development Entities on page 107.

Our Company has subscribed to and has been allotted 49% of the equity share capital of Marathwada Realtors Private Limited and has entered into shareholders agreement and the share subscription agreement, both dated October 15, 2007 in this regard. According to the said agreements, Marathwada Realtors Private Limited holds leasehold rights in 5.44 acres of land located at Bivagarh, Aurangabad. It is further stated in the said agreements that our Company will be responsible for designing, planning, construction, development of the project and also marketing the said units in the project as per the terms and conditions including the fees as may be agreed by Marathwada Realtors Private Limited. Marathwada Realtors Private Limited has acquired the leasehold right over the said land through a license agreement executed on January 22, 1974 and order of MIDC dated March 14, 1986. For further details refer to History and Certain Corporate matters – Other Development Entities on page 107.

Our Company has subscribed to and has been allotted 49% of the equity share capital of Almet Corporation Limited and has entered into shareholders agreement and the share subscription agreement, both dated October 15, 2007 in this regard. According to the said agreements, Almet Corporation Limited holds leasehold rights in 3.52 acres of land located at Bivagarh, Aurangabad. It is further stated in the said agreements that our Company will be responsible for designing, planning, construction, development of the project and also marketing the said units in the project as per the terms and conditions including the fees as may be agreed by Almet Corporation Limited. Almet Corporation Limited has acquired the leasehold right over the said land through a license agreement executed on January 22, 1974, supplementary agreement dated March 31, 1998 and order of MIDC dated March 31, 1998. For further details refer to History and Certain Corporate matters - Other Development Entities on page 107.

Land located at Thane

Mumbai Estates Private Limited has entered into 94 development agreements with a number of land owners for the development of a total of 145.54 acres of land located at village Anjur, Thane. The owners have transferred the development rights to our Company. The land shall be in joint possession of the owners and Mumbai Estates Private Limited until the sale permission is granted by the government of Maharashtra. Although the said land is falling in the agricultural zone, the same has been acquired for the purpose of developing a special township as per the Special Township Notification. For further details on the Special Township Notification, see "Regulations and Policies" at page 89.

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., 'Land under which joint development agreements have been entered into by the Company directly, or through its Subsidiaries and or through entities other than (I) and (II) above ' are as follows:

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (Rupees in million)	Amount Paid as on October 31, 2007 (Rupees in Million)	Deposit Paid as on October 31, 2007 (as a % of Agreement Value)
1.	Sangamwadi, Shivaji Nagar, Pune	October 31, 2006	Angelica Properties Private Limited, Gulabbhai S. Shah and others, Clover Resorts Private Limited (a former subsidiary of our Company) and our Company	1,000.00	1,000.00	-
2.	Vadgaon Sheri, Pune	September 10, 1997 and March 28, 2002.	Marigold Premises Private Limited, Harakchand Uttamchand Khinvasara and others	331.00	331.00	-

S.No.	Location of Land	Date of Agreement/ Validity Period	Parties to the Agreement	Agreement Value (Rupees in million)	Amount Paid as on October 31, 2007 (Rupees in Million)	Deposit Paid as on October 31, 2007 (as a % of Agreement Value)
	TOTAL			**1,331. 00**	**1,331.00**	**-**

The aggregate agreement value of the non-material agreements in this category is Rs. 453.35 million the aggregate amount paid is Rs. 341.14 million and the deposit paid as a percentage of the aggregate amount value is 8.75%.

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

Approximately 51.71 acres, located in Pune constituting 10.32% of the total Land Reserves, are held under this category. Of the said lands we expect to develop approximately 3.79 million Sq. ft constituting 10.94% of the total Developable Area. As on October 31, 2007, we have paid nil towards the purchase of these lands. See "Risk Factor-Internal Risks and Risks Relating to our Business and Industry- We depend upon the fulfillment of the obligations of our joint venture partners, as well as the products and services of a number of suppliers and sub-contractors, in the operation of our business" on page xii.

S.No	City	Location	Date of the Agreement	Parties	Amount paid as on October 31, 2007 (Rs in millions)	Amount payable (Rs in millions)	Area (In acres)
1	Pune	Kharadhi	September 24, 2004	Azim Faizullah and Ors	-	-	51.7

Ajanta Enterprise

Our Company and Madhur Realtors Private Limited entered into the partnership firm, Ajanta Enterprise, pursuant to partnership deed dated September 24, 2004 with Azim Faizullah Tapia, Javed Faizullah Tapia, Raj Kanaksen Bhansali, Shishir Babalal Bhansali, Dhiren Popatlal Nandu, being the existing partners of Ajanta Enterprise. Pursuant to the terms of the aforesaid partnership deed, the partnership has been reconstituted for the purpose of development of 51.7 acres of land located at Kharadhi, Pune. The existing partners vide a declaration dated January 1, 1999 declared that the lands purchased by the partners in their individual names were for and on behalf of the partnership firm and that the said lands belonged to the partnership firm. Under the terms of the reconstituted partnership deed, the profits and losses shall be shared between the partners as 10% to Azim Faizullah Tapia, 10% to Javed Faizullah Tapia, 17.5% to Raj Kanaksen Bhansali, 2.5% to Shishir Babalal Bhansali, 10% to Dhiren Popatlal Nandu, 10% to Madhur Realtors Private Limited, 10% to Dhiren Nandu and 30% to our Company.

The following table is a summary of our Land Reserves and the amounts due for acquisition of land by us as of October 31, 2007:

Location-wise break up	Land Reserves	Land Reserves (Rs. Millions)	
		Amount paid	Amount Payable
Pune	288.14	2,637.97	363.04
Aurangabad	14.91	0.05	-
Nashik	18.93	115.00	-
Thane	145.54	117.43	112.21
Coimbatore	29.87	70.00	-
Belgaum	1.73	-	-
Zirakpur	1.94	-	
TOTAL	**501.06**	**2,965.46**	**475.25**

Our arrangements to acquire land

We have also entered into arrangements for land acquisition with certain third party entities in the form of MOU and term sheets for 337.56 acres equivalent to 23.54 million square ft. of Saleable Area. Under the MOUs, the said third party entities have agreed to procure certain extents of land on our behalf.

Development Structures and Revenue and Profit Sharing

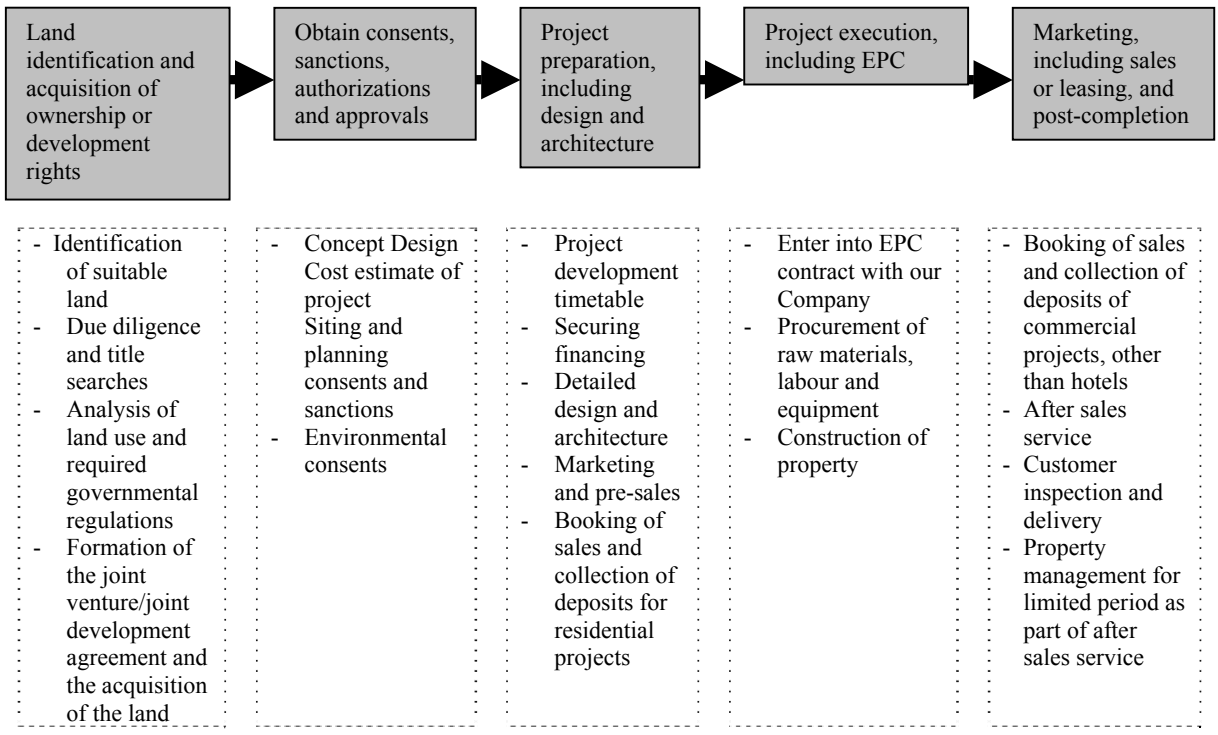
We conduct our real estate development business directly and through Subsidiaries and Other Development Entities in which we hold equity interests. We and these entities, in turn, enter into joint development or other agreements to develop the properties.

In most of our development projects, we or our Other Development Entities, obtain the right to construct and develop on the selected portion of land from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of the revenues or profits generated from such development. In revenue sharing joint development projects, instead of sharing revenues, the owner may acquire the pre-determined portion of the eventually built-up properties constructed on such land. A majority of our developments are based on the revenue sharing model. The split between us and our Other Development Entities and the other parties in a revenue sharing model is determined on basis of a number of factors such as the cost of land, the EPC costs, the provision and need for our sales, marketing and other services and the type and location of the project. The split between us and our Other Development Entities and the other parties in a profit sharing model is also determined on basis of a number of factors as such as the cost of land and the type and location of the project.

The joint development mechanism is evidenced by a registered joint development or other agreement which provides for the apportionment of the revenues (or planned built up area) between the parties to the agreement, who are usually the owner of the lands on which the constructions are being erected and us our Other Development Entities. The joint development agreement outlines the mutual responsibilities of the parties in the development and usually includes a description of the manner in which the consideration to be paid under the terms of the agreement is to be shared, provisions requiring delivery of original title documentation and the execution of one or more general powers of attorney enabling us to carry out the joint development, provisions relating to the grant of licenses to gain access to the property for the purposes of development and, at times, the provision of advances, in form of security deposits to the land-owners. Typically, we or our Other Development Entities, do not acquire any title to the land in respect of which a joint development agreement is being executed pending the completion of construction thereon. However, the terms of our joint development agreements with the land-owners incorporate mechanisms intended to protect our investments in the development of the said properties.

Project Execution

We utilise a five-stage execution methodology for our development projects, consisting of land identification and acquisition, obtaining consents, authorizations and approvals required for development, project preparation, project management and execution and marketing and post-completion. A summary of the activities involved in these five stages of project development phases is set out in the following chart.



Land identification and acquisition of ownership interests or development rights

We have a dedicated team that analyses and monitors existing and future customer profiles and requirements, industry economics, property market trends and government policies. This team identifies areas which have future development potential. We also use the feedback we receive from customers, along with our relationships with property consultants, constructors, sub-contractors and suppliers, to assess future market demand and industry outlook. After we have identified a potential development site, we evaluate and estimate the costs which will be incurred for the development project. This process is jointly undertaken by our engineering department and our team which identified the land.

Prior to undertaking each project, we conduct due diligence and assessment exercises in relation to immovable properties and financial viability of the project. Once we have identified a plot which may be suitable for development, our local lawyers, conduct due diligence investigations in respect of land we desire to develop, including a review of land records, planning records and ownership records, and publish a notice in newspapers soliciting objections from persons claiming ownership of the land. Assuming that our investigations show no significant problems with the identified land, we will enter into negotiations to seek to reach a preliminary agreement with the landowners, either to acquire the underlying land ourselves or to enter into a joint development agreement with them. Formal conveyance of land by the seller (at which time stamp duty becomes payable), for acquisitions of land, is completed only shortly before construction is due to start and after all requisite governmental consents and approvals have been obtained.

Obtaining consents, authorizations and approvals

Once we have identified and reached an agreement to acquire title or development rights to the land, we seek requisite governmental and regulatory consents, sanctions, authorizations and approvals, including siting, development plan and environmental approvals. We have considerable experience in working with governmental and regulatory authorities to obtain such approvals. This experience has given us a good understanding of the regulatory regime in which we operate, thereby enabling us to obtain requisite approvals on a timely basis and to obtain approval for the development of the maximum permitted square footage given the size of each plot.

Project preparation, including design and architecture

At this stage, we obtain financing for the project. We fund all of our projects through project-specific bank borrowings, which are repayable at the end of each project. We work with several different Indian banks to satisfy our working capital needs in respect of our projects.

We employ a large, experienced team of architects and engineers and, after a detailed review of the site parameters, project cost estimate and project development timetable, we formalize an architectural brief which is subsequently finalized either internally or with selected external architects and consultants, depending on the size and complexity of the project.

A significant number of our residential development units are pre-sold prior to completion of the development. In connection with our pre-sales of residential units, we require that customers pay advances on the purchase price, which advances our residential customers are required to pay in phases as we progress through various milestones or stages of construction of their residential unit. Our sales and marketing department is responsible for the booking of sales once customers are identified and collects all customer deposits.

Project execution, including EPC

Our Other Development Entities enter into an EPC Contract or work order with our Company for the engineering, procurement and construction of the project. See also "– Our EPC Business."

Marketing, including sales or leasing, and post-completion

Our sales and marketing department is responsible for procuring customers, both sales and rental, for the units in our developments and for conducting pre-sales**.** Most of our units are sold or leased through word of mouth, but if required, we market our units through marketing techniques such as newspapers, internet and billboard advertising, launch events and corporate presentations. We also engage on an exclusive basis

the services of real estate brokers and selling agents in connection with the sale and lease of our developments. We seek to foster good relations with our customers. In each of our developments, we provide our customers with a pre-occupancy inspection accompanied by our site engineers.

Units in our commercial developments (not including hotels, which we operate directly or through our Other Development Entities), are sold or leased around the time of completion of the development. In connection with our sales of commercial units, we may require that customers pay advances on the purchase price at the time of entering into the sale and purchase agreement. Our sales and marketing department is responsible for the booking of sales once customers are identified and collects all customer deposits.

For our hotels, we make on-site reservations and also work with travel and tour agents for reservations. We have also entered into an agreement with Resort Condominiums International for the use of our resort, Vista Do Rio in Goa.

For some of our commercial and retail properties, depending on the nature of the project and if required by our customers, we provide maintenance services of such property. In relation to our residential developments, we provide property management services for a limited time, until the formation of a residents association for each of our residential projects.

Project Warranties

In most of our real estate development projects, we and our Other Development Entities provide warranties for periods ranging from 12 to 36 months after the date of completion of the development. We do not make provisions in our reserves for expenses expected to be incurred for the provision of such warranties.

Hotels

For some of our projects, we not only provide EPC and real estate development services, but also continue to own or operate such projects subsequent to their completion.

As part of our real estate development business, we have developed three hotels which we continue to own, and our Subsidiaries or our Other Development Entities are in the process of developing two more hotels in which we currently own equity interest. For example, we currently own the Vista do Rio and Galaxy resorts in Goa and the Golden Suites service apartment complex in Pune, and own a 50% interest in the Marigold Premises Private Limited, which owns and operates the Mariplex mall and office. In addition, we are in the process of developing two hotels in Pune through entities in which we hold 26% and 37.50% equity interests. Such business is expected to provide us with a steady source of revenues from leasing and hospitality operations.

Vista do Rio

The Vista Do Rio project was developed by us and is wholly-owned by us. The project is located at Panaji, Goa. Vista Do Rio consists of 41 furnished rooms that provide a range of the amenities. It covers a total Saleable Area of 69,360 square feet and was completed in December 1996. It is operated by Conamore Resorts Private Limited.

Competition

We operate our EPC business in an intensely competitive environment. We face significant competition in our business from other Indian EPC and infrastructure development companies. The extent of the competition we face in a potential project depends on a number of factors, such as the sector, the size and type of project, contract value and potential margins, the complexity and location of the project, the reputation of the client and the risks relating to revenue generation. While technical qualification is an important consideration in client decision, the price of the contract is the determinative factor in most tender awards. The contract is usually awarded to the bidder quoting the lowest price. As a result of this competition, we face intense margin pressure from existing competitors and new entrants, which could have an adverse effect on our financial condition and prospects. Our competitors include, amongst others, the Shapoorji Pallonji Group, Rohan Builders (India) Private Limited, BL Kashyap & Sons Limited and Hindustan Construction Company Limited.

We also face significant competition in our real estate development business from other developers, many of whom undertake similar projects within the same regional markets as us. Given the fragmented nature of the real estate development industry, we often do not have adequate information about the projects 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 on the Maharashtra state region. 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 landowners and international or domestic joint venture partners, gain early access to information regarding attractive parcels of land and be better placed to acquire such land. We and certain of our tenants compete with other retail distribution channels, including department stores and malls, in attracting customers. Moreover, we compete with an increasing number of commercial real estate developers. In our hotel joint ventures, we compete with other hotels and service apartments operating in the neighbourhoods where our joint ventures' hotels are located. Increasing competition could result in price and supply volatility, which could cause our business to suffer. Our competitors in the real estate development sector include, in addition to our competitors in our EPC business, Sobha Developers Limited, DLF Limited, Akruti Nirman Limited, and K Raheja Universal.

Environment, Health and Safety

We believe that we are generally in compliance with applicable environmental laws and regulations. We are not currently a party to any environmental proceedings which, if adversely determined, would reasonably be expected to have a material adverse effect on our financial condition or results of operations.

We comply with applicable health, safety and environmental legislations and other requirements in our operations. To ensure the effective implementation of our practices, we seek to identify at every project all hazards at the beginning of our work on a project, evaluate the associated risks and institute and monitor appropriate controls and methods.

We believe that all accidents and occupational health hazards can be prevented through systematic analysis and control of risks and by providing appropriate training to employees, subcontractors and communities. We encourage our employees to work constantly and proactively towards eliminating or minimizing the impact of hazards to people and the environment. We encourage the adoption of occupational health and safety procedures as an integral part of our operations.

Information Technology

We use a number of standard and commercially available software in our operations. Moreover, we are in the process of implementing SAP enterprise resource planning system to streamline operations, improve productivity and reduce costs. The SAP programme will allow us to consolidate operating and financial information and financial results and eliminates inefficiencies, thereby reducing operating costs and improving our competitive advantage.

Intellectual Property

We are the registered holders of the Vascon logo. In addition, we are in the process of applying for registration of the mark "Nucleus" for our shopping malls, including the shopping mall at Camp, Pune.

Quality Certifications

We have obtained the ISO 9001:2000 certification in 2003 and the ISO 14001:2004 certification for environmental procedures in 2006.

Employees

As of October 31, 2007, we had 486 employees. Out of our 486 employees, we had 321 employees in engineering, 67 in accounts, finance and secretarial, 28 in human resources and administration, 16 in architecture and design, and 12 in sales and marketing and 11 in legal and information systems. None of our employees are represented by any labor or workers' unions. We believe that we have good relations with our employees. In the operation of our EPC business, we also procure the services of individuals on daily wages. As of October 31, 2007, we had procured the services of over 3000 such individuals. In our history, we have never experienced any work stoppages or strikes due to labor problems. The table below

sets out the number of employees engaged in the fiscal years 2004, 2005, 2006 and 2007 respectively, divided into technical, non-technical and sales and marketing:

	Fiscal Years			
	2007	**2006**	**2005**	**2004**
Technical	248	178	132	83
Non-Technical	95	68	51	32
Sales & Marketing	12	9	6	4

We believe that a skilled and motivated employee base is essential for our competitive advantage. As such and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest considerable resources in the development of the expertise and know-how of our employees as well as in employee satisfaction.

Insurance

Our operations are subject to hazards inherent to the construction industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We obtain standard fire and special perils policies for the construction of buildings to cover construction risks and third party liabilities for the duration of the property development. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. We also ensure that contractors obtain insurance while carrying out any activities on our behalf. Our employees are covered under group personnel accident policies.

Properties

Our corporate office is located at 201 Phoenix, Bund Garden Road, Pune, Maharashtra – 411001 and is owned by us. The registered office is located at 15/16, Hazari Bagh, LBS Marg, Vikhroli (West), Mumbai – 400083 and is owned by us. Additionally, we operate our business from several other premises which are owned or leased by us and are as follows – (a) 608, 'Nucleus' Mall, 1 Church Road, Opp. Police Commissioner Office, Pune 411 001 (b) 511, Shiv Towers, 5th Floor, Patto Plaza, Panaji, Goa – 403001 (c) S.C.F. No. 50/1, Sector 9, Panchkula, Above Indian Overseas Bank, Haryana – 134109 (d) V Tech IT Park, S. No. 113, Near Indira Nagar, Behind Sainath Nagar, Off Mumbai Naka, Nasik.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Maharashtra and the respective bye-laws framed by the local bodies incorporated under the laws in the State of Maharashtra. The information detailed in this chapter has been obtained from the various local legislations and the bye-laws of the respective local authorities that are available in the public domain.

The real estate and construction sector in India is governed by central and state legislations that regulate the substantive and procedural aspects of the acquisition and transfer of land, construction of housing and commercial establishments. The real estate and construction industry in India operates in a largely fragmented manner, and each state prescribes its own regulations. Investors are advised to undertake their independent study in relation to the regulations applicable to us, for carrying out our business in various States in India. We are broadly subject to the laws which provide for the acquisition of the land, its registration and related aspects like payments of stamp duty, local legislation providing for the regulation and supervision of building and residential premises and certain other state specific laws.

Given below is a brief description of the various legislations, i.e Central and State, that are currently applicable to the business carried on by us.

Constitution of India

The Constitution of India, in Schedule VII provides the list of the various fields of legislation in which the Union, the State and the Centre and State are allowed to make laws. The fields of legislation as specified in the Union list allow the Union of India to make the laws while the entries in the State List provide the respective states to make the laws in relation to the same. The entries in the Concurrent list are where the centre and the states can both make laws. Provided below are certain important entries in relation to land which appear both in the Union as well as the State list.

Union List

Entry 86 of the Union list is in relation to '*Taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies; taxes on the capital of companies*'. Further entry 87 deals with '*Estate duty in respect of property other than agricultural land*'.

State List

Entry 18 of the State List deals with '*land that is to say right in or over the land, land tenures including the relation of landlord and tenant, and the collection of rents, transfer and alienation of agricultural lands; land improvement and agricultural loans; colonisation*'. Further entry 49 empowers the state in relation to '*taxes on land and buildings*'.

Therefore, as provided for in the Constitution of India, as regards lands in specific and real estate in general, the same are governed both by the laws enacted by the states as well as by the Union of India.

Laws enacted by the Union of India

The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act")

The Urban Land Ceiling Act prescribes the limits to urban areas that can be acquired by an entity. It has been repealed in some states and union territories under the Urban Land Act. Further, various land holdings are subject to the provisions of the Land Acquisition Act, 1894 which provides for the compulsory acquisition of land by the appropriate government for public purposes including planned development and town and rural planning. However, any person having an interest in such land has the right to object and the right to compensation.

Transfer of Property Act, 1882 ("T.P. Act")

The T.P. Act deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place.

This mode of transfer between individuals is governed by the provisions of the T.P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act, can be through the mode of sale, gift, exchange etc. while an interest in the property can be transferred by way of a 'lease' or 'mortgage'.

The T.P. Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908 ("Registration Act")

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of any interest in an immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It lays down in detail, the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding eleven months or reserving a yearly rent.

An unregistered document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. However, the amount of the fees under the Registration Act for the purpose of registration, varies from state to state.

The Indian Stamp Act, 1899 ("Stamp Act")

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the Union list, are governed by the provisions of the Stamp Act which is enacted by the Central Government. All other instruments required to be stamped, as per the rates prescribed by the respective state governments. Stamp duty is required to be paid on all the documents that are registered, as stated above, the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty, while the other States have amended the Stamp Act, as per the rates applicable to in the State. The Stamp Act provides for stamp duty at the specified rates on instruments listed in the Schedule to the said Act.

The stamp duty in relation to the lease or conveyancing of any immovable property is prescribed by the respective states in which the land is situated and it varies from state to state. Instruments which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. Further the state government also has the power to impound insufficiently stamped documents.

Stamp Duty on instruments in the State of Maharashtra is governed by the provisions of the The Bombay Stamp Act, 1958 ("**BSA**"). The BSA prescribes the stamp duty payable on various instruments relating to the land namely conveyance, lease and other instruments as the case may be. The stamp duty payable on conveyance in the State of Maharashtra is five percent, plus any other interest/cess at present and is subject to revision by the government from time to time.

The Easements Act, 1882 ("Easements Act")

The law relating to easements is governed by the 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.

Service Tax

Companies engaged in the business of commercial or industrial construction service which includes construction as well as finishing services like plastering and glazing, including repairs and servicing; construction of complex which includes construction of a new residential complex or a part thereof as well as finishing services in relation to the same, are liable to pay service tax.

Labour Laws

We are also required to comply with the laws, rules and regulations in relation to hiring and employment of labour. The laws applicable to us include the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, which is a social welfare legislation which aims to provide certain benefits as enumerated in the Act to the workers engaged in establishments that use manual labour for purposes of construction activities. The Act also provides for the regulatory regime to establish 'Boards' at the Central and the State level, to regulate the functioning of provisions the Act. All establishments involved in construction, are required to be registered under the Act. The Minimum Wages Act, 1948, provides for the fixing of appropriate minimum wags for workers involved in the various scheduled industries as specified in the act. The schedule of the Act refers to 'employment on the construction' or 'maintenance of roads or in building operations'. The Payment of Bonus Act, 1965 prescribes the compulsory payment of bonuses to the employees by the establishments not expressly excluded by the statute. The Payment of Wages Act, 1936 aims to regulate the payment of wages to certain classes of employed persons. It establishes a regulatory regime for implementation of the objects of the Act. Pursuant to the insertion of Section 2(g) of the Act, it also applies to the construction industry. Further in the event that any aspect of the activity is outsourced and is carried by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, 1970 shall also be necessary. The Payment of Gratuity Act, 1972 provides for the payment of gratuity to employees in certain prescribed establishments. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years on his superannuation, on his retirement or resignation or on his death or disablement due to accident.

Environment Laws

Water (Prevention & Control of Pollution) Act, 1974 ("Water Act")

The water pollution in India is regulated under the Water Act. The act aims to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. The act provides for the prevention and control of water pollution.

As per the provisions of the act there are certain restrictions on new person shall, without the previous consent of the State Board – (1) establish or take any steps to establish any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land (such discharge being hereafter in this section referred to as discharge of sewage); (2) bring into use any new or altered outlet for the discharge of sewage; and (3) being to make any new discharge of sewage. Before such an activity is undertaken, an application is to be made to the State pollution control Board and they conduct a through enquiry into the application so made and may finally or may not grant permission to carry out such activity.

Laws relating to SEZ

Special Economic Zones, Act, 2005 (the "SEZ Act")

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

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

Procedure for setting up an SEZ

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

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

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

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

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

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

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

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

State SEZ Policies

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

Laws specific to the state of Maharashtra

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

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

Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971

The Maharashtra Slum Areas (Improvement, Clearance and Redevelopment) Act, 1971 ("**MSA Act**") provides for and governs the making of better provisions for improvement and clearance of slum areas in the State and their redevelopment and for the protection of occupiers from eviction and distress warrants.

Maharashtra Rent Control Act, 1999

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

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

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

The Bombay Stamp Act, 1958

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

- Development Agreement: under the BSA, stamp duty of 1% on consideration/market value, whichever is more is payable.
- Power of Attorney: if stamp duty is paid, as above, on the development agreement, then stamp duty payable is Rs. 200/-.
- Agreement with flat owners: Concessional stamp duty is provided for residential units and stamp duty on commercial units at the rate of 5%.
- In case of investments executed for the rehabilitation of slum dwellers, the Government of Maharashtra has, in exercise of its powers under section 9 of the BSA, reduced the stamp duty to Rs. 100/- only.

The Maharashtra Value Added Tax Act, 2002

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

Maharashtra Cooperative Societies Act, 1960

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

Bombay Municipal Corporation Act, 1888

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

The Maharashtra Housing and Area Development Act, 1976

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

The Maharashtra Apartment Ownership Act, 1970

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

Land Conversion from Agriculture to Non Agriculture

In case of land located in the residential zone as per the Development plan of the City

Lands located in the Residential Zone as per the development plan of city is developable even though it is an agriculture land. The procedure is such that the developer submits the layout plan for approval for approval. Once the layout plan is approved by the Authority concerned, the developer immediately makes an application for conversion of land from Agriculture to Non Agriculture in the Land Department. The land department, based on the layout approval, gives the NA Order (Non Agriculture order) at a payment of certain pre-fixed charges per square feet. The land conversion from Agriculture to Non Agriculture in case of lands located in residential zone as per the city development plan will be a mere procedure.

In case of land located in the agriculture zone

As per the Special Township Project Scheme of Maharashtra, a developer who holds more than 100 acres of land in agriculture zone can take permission/approval from the government of Maharashtra for development of Special Township Scheme. Once the scheme is approved by government of Maharashtra, the land will be automatically converted from Agriculture to Non Agriculture status.

Transfer of development rights

In the event as per the development plan of the city, if the developer is asked to leave the certain portion of the land for the purpose of road widening etc. the Developer is entitled for equal amount of FSI/TDR (Floor Space Index / Transfer of Development Rights). The developer can either use the same within the same land/project or can sell to third party. The actual hand over of land will happen only of the Corporation is ready to acquire the same. Until such time the Developers hand over the land, the Developers shall remain in possession of the land however no development can take place on that portion of the land.

Similarly, within the city limits as also within the proposed city limits a Developer may consume addition area by way of purchase of TDR to the tune of maximum 40% of the net plot area. Based on this the saleable area of the project for the developer shall go up. While approving the plans, the developers can express the proposed TDR to be consumed in that project however the actual TDR is to be purchased only when the Developers decides to physically consume the area of TDR based on their sale of units in the project.

As per the Development plans of the Cities in Maharashtra the Developers have to leave about 1% to 15% by way of Amenities Spaces. However these areas can be developed for the purpose of Software Park by payment of certain premium.

As per the rules of Maharashtra the Developers are entitled for 100% additional FSI for development of Private Software Park and Hotel/Service Apartments on payment additional premium.

Other applicable laws

In addition to the legislation stated above, we shall also be required to obtain the consent of various local bodies including the Ministry of Environment and Forests and/or State Pollution Control Board, Fire Force Department, Sewerage Board, Telecom Department and Airport Authority of India ("**AAI**").

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. The said press note has also amended certain press notes which have been issued earlier, in the same field.

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

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

    1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
    2. In case of construction-development projects, a minimum built up area of 50,000 square meters
    3. In case of a combination project, anyone of the above two conditions would suffice

b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

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

We have sought a confirmation from the DIPP by letter dated April 27, 2007, **on FIIs being permitted to participate in the Issue under the portfolio investment scheme.**

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.

HISTORY AND CORPORATE STRUCTURE

Our History

We were originally incorporated on January 1, 1986 as a private limited company under the provisions of the Companies Act, 1956 as Vascon Engineers Private Limited. We became a deemed public company by virtue of Section 43A of the Companies Act with effect from August 25, 1997 and was renamed as Vascon Engineers Limited.

Consequent to the amendment of Section 43A of the Companies Act, we became a private limited company with effect from January 16, 2001. Pursuant to a resolution of our shareholders on December 7, 2006, we got converted to a public limited company with effect from December 7, 2006. A fresh certificate of incorporation consequent on the change of our name was granted to us on December 20, 2006 by the ROC.

Further, pursuant to the provisions of Section 391 to 394 of the Companies Act and pursuant to an order of the High Court of Bombay, dated January 19, 2007, Clover Resorts Private Limited merged with us with the appointed date being April 1, 2006. We also acquired the assets of Vascon Hadapsar Ventures, in which were a partner, pursuant to a deed of retirement cum dissolution dated May 29, 2007.

Changes in our Registered Office

The registered office of our Company was originally located at 12, Gunbow Street, Fort, Mumbai 400 001 and pursuant to a resolution of the Board dated February 1, 1998 it was shifted to 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083. Subsequently, pursuant to a resolution of our Board dated May 19, 2000, the registered office was again shifted to 51, Deccan Court, S.V. Road, Bandra (W), Mumbai 400 050. Pursuant to a resolution of our Board dated November 25, 2004 the registered office was shifted from 51, Deccan Court, S.V. Road, Bandra (W), Mumbai 400 050 again to 15/16, Hazari Baug, L.B.S. Marg, Vikhroli (W), Mumbai 400 083.

Awards and Accreditions

Sl.No	Award
1.	ISO 9001:2000 – Certification for Quality Management Systems in December 23, 2003
2.	ISO 14001:2004 – Certification for Environmental Management Systems in March 16, 2006
3.	Builders' Association of India ("BAI") – Pune Centre award for our project Paradise Premises at Baner, Pune in 2000
4.	BAI – Pune Centre award for our projects Casaurina and Marigold at Kalyani Nagar, Pune in 2003
5.	BAI – Pune Centre award for our project for Zensar Technologies at Kharadi in Pune, Maharashtra in 2004
6.	Architects, Engineers and Surveyor's Association ("ASEA") Award for our project Nucleus Mall and Offices at Camp and Marisoft III at Kalyani Nagar in Pune, Maharashtra in 2005
7.	Builders Association of India (BAI) – Pune Award for our project Nucleus Mall & Offices at Camp, Pune in 2005
8.	Brick Mortar (West Zone) Award of the 'a+d' for our project Nucleus Mall and Offices at Camp in Pune in 2005
9.	Spectrum Foundation Architecture Award for our project Nucleus Mall and Offices at Camp in Pune, Maharashtra in 2005
10.	Resort Condominiums International Award for our project Vista Do Rio, Goa in 2005
11.	Merit award at the 30th ICSC International Design and Development Awards held at Phoenix, Arizona, for 'innovative design and development of a new project' for our project Nucleus Mall and Offices at Camp in Pune in 2006
12.	BAI – Pune Centre award for our project for Symbiosis Institute at Viman Nagar at Pune in 2006
13.	Loksatta Artists in the Concrete Award (residential – space planning) and Loksatta Artists in Concrete Award (residential – natural resource utilisation) for our project Zircon at Nagar Road in Pune, Maharashtra in 2007

Our Shareholder Agreements

We entered into a shareholder agreement dated June 21, 2006 with HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund (the "Fund") investing through its scheme called "HDFC India Real Estate Fund" ("HI REF"), R. Vasudevan and the Other Shareholders (as defined in the agreement) of our Company (known as the "HI REF Shareholders Agreement"). Pursuant to the

terms of this agreement, the HI REF acquired 3,903,059 equity shares. Further, pursuant to the terms of this agreement, HI REF was also given warrants in our Company. All the warrants have been converted into Equity shares and as on the date of the filing of the DRHP, there are no warrants that that are outstanding.

R. Vasudevan and the Other Shareholders have undertaken that as long as HI REF holds any shares, we and/or our Affiliates and R. Vasudevan, as the case may be, undertake not to directly or indirectly promote or in any other manner financially participate in any other development or conduct any contraction/construction outside our Company, except as specified in the agreement. In the event that any project is contracted for by R. Vasudevan through an entity other than the Company, R. Vasudevan and the Other Shareholders shall ensure that such project and the economic interest therefrom are transferred to and shall vest in the Company. Further it is provided in the agreement that unless otherwise agreed by a unanimous vote of the board of directors or the shareholders of our Company, the amount shall be applied only for the following purposes namely; (a) Investment of financial participation in entities which are engaged in the business of construction and development, ownership or operation of hotels, resorts and apartment hotels/entertainment assets such as multiplexes, amusement parks, theatres, theme parks, etc; (b) Investment or financial participation in entities which are engaged in the business of "build operate and transfer" construction and development projects; (c) acquisition by our Company of ownership interest in land and development rights thereto; (d) working capital requirements of our Company; and (e) repayment of existing loans / debts.

The Board shall consist of a maximum of eight directors of which seven shall be Directors nominated for appointment by R. Vasudevan and Other Shareholders and so long as HI REF holds at least 8% of the equity share capital of the Company, one director shall be appointed by HI REF. The first HI REF Director shall be K. G. Krishnamurthy. R.Vasudevan shall be the permanent Managing Director of the Company. As long as HI REF holds at least 8% of the paid up share capital in our Company, a unanimous vote of HI REF shall be required for (a) any contracts, agreement or arrangements with the Promoter and /or affiliates and/or any related party; (b) approval of the Annual Business Plan; (c) any issue of shares including through an IPO or other securities of our Company or granting any rights to acquire any shares or other securities or any restructuring of the capital of the Company. (d) merger, amalgamation, de-merger, re-construction, liquidation, (e) any amendment to the memorandum of association or the Articles of Association of the Company;

HI REF, R. Vasudevan and the Other Shareholders shall each be entitled to sell their shares and/or other securities in our Company subject to compliance with the first refusal right of the Other Shareholders. HI REF shall not, without the consent of R. Vasudevan and Other Shareholders be entitled to agree to transfer its shares to any competitor of the Company. As HI REF holds at least 8% of the equity Share capital of the Company, R. Vasudevan or the Other Shareholders shall not be entitled to transfer, dispose off or create any encumbrance in respect of their shares without the prior written consent of HI REF.

We and R. Vasudevan have undertaken under the agreement to cause to initiate the process for an initial public offering before December, 2010 in compliance with applicable Law. If we fail to carry out an initial public offering or decides not to carry out an initial public offering or offer for sale by December 31, 2011, HI REF shall have the right to sell all its shares and we/ R. Vasudevan shall have the obligation to purchase all the shares owned by HI REF at a specified price.

The Agreement shall terminate at the earlier of the completion of the initial public offering or the date on which HI REF ceases to own at least 8% of our equity share capital.

Key Events and Milestones

Year	Key Events, Milestones and Achievements
November, 1986	Completion of our first contractual project, the construction of a factory for Cipla Limited at Patalganga
December 1994	Completion of construction of a green-field pharmaceutical and chemical complex spread over 40 acres for Cipla Limited at Kurkumbh, Maharashtra
December 1996	Completion of the construction of our first project in the hospitality sector, Vista Do Rio Resorts, at Goa
January 1999	Completion of construction of Cipla Foundation's Palliative Care and Training Centre at Pune
July 2000	Commencement of construction of townships project Marigold, spread over 45 acres at Kalyani Nagar, in Pune
March 2003	Completion of construction of bungalows project Paradise, which consists of 36 'stacked'

Year	Key Events, Milestones and Achievements
	bungalows at Baner in Pune, Maharashtra
March 2003	Completion of construction of IT Park, Marisoft – I, at Kalyani Nagar in Pune
August 2005	Completion of construction of Nucleus Mall, a project in the shopping and entertainment sector, at Pune, Maharashtra
June 2006	Investment by HDFC Ventures Trustees Company Limited acting through scheme HI REF of the HDFC Property Fund

Main Objects

Our main object enable us to carry on our current business and also the business proposed to be carried on by us as contained in our Memorandum of Association and are as follows:

To acquire by purchase, lease, exchange, hire, reclamation, or otherwise and make advances on the security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient, and in particular by laying out and preparing land for building purposes and preparing building sites by surveying, planning, levelling, planting, paving, draining, farming and cultivating land, converting and appropriating any such land into and for roads, streets, squares, grounds, gardens and other conveniences and by constructing, re-constructing, pulling down, altering, improving, decorating, furnishing, holding, managing, administering, controlling and maintaining offices, flats, service flats, houses, bungalows, chawls, factories, colonies, warehouses, shops, water, water wharves, buildings, swimming pools, markets, hotels, motels, theatres and other works, structures and conveniences of all kinds for residential, commercial, public or industrial purposes and by leasing, letting (on building lease or building agreement or otherwise) selling (by instalments or otherwise) and otherwise disposing of the same and to carry on the business of promoters, builders, developers, constructors and engineers, consultants, decorators and architects and of undertaking contracts for Governments, corporations and others for execution and construction of the aforesaid works, structures and conveniences and civil and architectural projects and supplying labour, material and equipment with all ancillary works, design, planning and operations and of rendering relating services such as architects, plumbers, decorators, consultants or agents.

Amendments to our Memorandum of Association

Date	Nature of Amendment
April 28, 1989	Change in our authorized share capital from Rs.0.10 million divided into 1,000 equity shares of Rs.100 each to Rs.1.00 million divided into 10,000 equity shares of Rs.100 each
September 30, 1993	Change in our authorized share capital from Rs.1.00 million divided into 10,000 equity shares of Rs. 100 each to Rs. 5.00 million divided into 50,000 equity shares of Rs.100 each
November 29, 1996	Change in our authorized share capital from Rs. 5.00 million divided into 50,000 equity shares of Rs. 100 each to Rs. 10.00 million divided into 100,000 equity shares of Rs.100 each
August 25, 1997	Change in our name from Vascon Engineers Private Limited to Vascon Engineers Limited, pursuant to the conversion of our Company to a deemed public company by virtue of Section 43A of the Companies Act
January 16, 2001	Change in our name from Vascon Engineers Limited to Vascon Engineers Private Limited pursuant to the conversion of our Company to a private limited company consequent to the amendment of Section 43A of the Companies Act
March 25, 2002	Change in our authorized share capital from Rs.10.00 million divided into 100,000 equity shares of Rs. 100 each to Rs. 105.00 million divided into 100,000 equity shares of Rs.100 each and 950,000 preference shares of Rs. 100 each
March 26, 2004	Change in our authorized share capital from Rs. 105.00 million divided into 100,000 equity shares of Rs.100 each and 950,000 preference shares of Rs. 100 each to Rs.110.10 million divided into 100,000 equity shares of Rs.100 each and 1,001,000 preference shares of Rs. 100 each
October 14, 2005	Subdivision of equity shares from Rs. 100 each to Rs. 10 each. Change in our authorized share capital from Rs.110.10 million divided into 100,000 equity shares of Rs.100 each and 1,001,000 preference shares of Rs. 100 each to Rs.700.00 million divided into 50,000,000 Equity Shares of Rs. 10 each and 2,000,000 preference shares of Rs.100 each
December 7, 2006	Change in the name of our Company from Vascon Engineers Private Limited to Vascon Engineers Limited, pursuant to our conversion to a public limited company

Date	Nature of Amendment
April 28, 1989	Change in our authorized share capital from Rs.0.10 million divided into 1,000 equity shares of Rs.100 each to Rs.1.00 million divided into 10,000 equity shares of Rs.100 each
June 11, 2007	Change in our authorized share capital from Rs.700.00 million divided into 50,000,000 Equity Shares of Rs. 10 each and 2,000,000 preference shares of Rs.100 each to Rs.1,000.00 million divided into 100,000,000 Equity Shares of Rs.10 each

Details of our Subsidiaries

Calypso Premises Private Limited

Calypso Premises Private Limited was incorporated on May 31, 2006 as a private limited company. Its registered office is situated at 201, Phoenix, Bund Garden Road, Opposite Residency Club Pune 411 001.

We acquired the shares of Calypso Premises Private Limited pursuant to a shareholders agreement dated August 31, 2006 with Behram Dubash Properties Private Limited and Calypso Premises Private Limited.

The main objects of Calypso Premises Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation, or otherwise and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning ,levelling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses, residential, commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of Promoters, Builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Calypso Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	9,459,000	63.00
2.	Behram Dubash Properties Private Limited	3,753,330	25.00
3.	Envision Computers Consultancy Private Limited	750,000	5.00
4.	Radicle Informatics Private Limited	750,000	5.00
5.	Lotus Associates	300,000	2.00
6.	Hamcon Engineers Private Limited	1,000	0.01
	Total	**15,013,330**	**100.00**

Directors as of October 31, 2007

The board of directors of Calypso Premises Private Limited are D. Santhanam, Shiv Prakash Nair, B. Dubash, M. Krishnamurthi and Tushad Dubash (alternate director for B. Dubash).

Financial Performance

(Rs. in million except per share data)

Particulars	For the period ended March 31, 2007
Equity Share Capital	150.13
Reserves and Surplus*	(3.78)
Sales and Other income	-
Profit/(Loss) After Tax	(3.78)
Earning per share** (Rs.)	(0.25)
Net Asset Value/Book value per share (Rs.)	9.75

** Excluding revaluation reserves*

*** Face value of Rs. 10 each*

Cosmos Premises Private Limited

Cosmos Premises Private Limited was incorporated on February 14, 1997 as a private limited company and became our subsidiary pursuant to the allotment of 200, 000 equity shares to us on May 20, 2006. Its registered office is situated at B-124, Vardhaman Complex, Fitwell Compound, LBS Marg, Vikhroli (West), Mumbai 400 083.

The main objects of Cosmos Premises Private Limited are

To acquire by purchase, lease exchange, hire, redemption or otherwise and make advances on the security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop, and in particular by laying out and preparing land for building purposes and preparing building sites by surveying, planning, levelling, planting, paving, draining, converting, and appropriating any such land into and for roads, streets, squares, grounds, gardens and other conveniences and by constructing, re-constructing, pulling, down, altering, improving, decorating, furnishing, holding, managing, administering, controlling and maintaining offices, flats, service flats, houses, bungalows, chawls, shops, water works, wharves, building, swimming pools, markets, hotels, motels, theatres and other works, structures and conveniences of all kinds for residential, public, commercial purpose and by leasing, relating (on building agreement or otherwise) selling (by instalments or otherwise) by creating occupational and other rights and otherwise disposing of the same.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Cosmos Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	225,000	90.00
2.	R. Vasudevan – HUF	14,980	5.99
3.	Conamore Resorts Private Limited	10,000	4.00
4.	Premratan Exports Private Limited	10	0.00
5.	Lalitha Vasudevan	10	0.00
	Total	**250,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Cosmos Premises Private Limited are D. Santhanam and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	2.50	0.50	0.50
Reserves and Surplus*	(5.34)	(3.67)	0.30
Sales and Other income	5.45	0.10	-
Profit/(Loss) After Tax	(1.44)	(3.97)	-
Earning per share** (Rs.)	(6.47)	(79.43)	-
Net Asset Value/Book value per share (Rs.)	(10.46)	(63. 43))	16.00

** Excluding revaluation reserves*
*** Face value of Rs. 10 each.*

Floriana Properties Private Limited

Floriana Properties Private Limited was incorporated on August 11, 2006 as a private limited company and became our subsidiary pursuant to the transfer of 2,000 equity shares by Vatsalya Engineers Private Limited to us on August 30, 2006. Its registered office is situated at 301, Phoenix Bund Garden Road, Opposite Residency Club, Pune 411 001.

The main objects of Floriana Properties Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements,

estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning ,levelling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses , residential , commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of Promoters, Builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Floriana Properties Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	7,000	70.00
2.	Hamcon Engineers Private Limited	3,000	30.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Floriana Properties Private Limited are D. Santhanam and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	0.10
Reserves and Surplus*	(0.48)
Sales and Other income	-
Profit/(Loss) After Tax	(0.48)
Earning per share** (Rs.)	(47.72)
Net Asset Value/Book value per share (Rs.)	(37.72)

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

IT – Citi Infopark Private Limited

IT – Citi Infopark Private Limited was incorporated on October 18, 2001 as a private limited company and became our subsidiary pursuant to the transfer of 10,000 equity shares by Hamcon Engineers Private Limited and Conamore Resorts Private Limited to us on April 2, 2006. Its registered office is situated at 51, Deccan Court, S.V. Road, Bandra, Mumbai 400 050.

The main objects of IT - Citi Infopark Private Limited are

To carry on the business of automation processes and products through software or embedded control or devices for e-commerce and other application uses and solutions, system design, development, analysis and automation and all types of electrical, electronic and computer and telecommunication systems, goods, products, apparatus and materials including arithmetic, logic, memory, control, input and output units, mark and character recognisers, bar code readers, voice recognition units, interfaces, templates, add-on boards and upgrades, scanners, printers, data storage drives and devices, advising, servicing, publishing, marketing and managing the making, preparing, designing, writing and dealing in system, application and support software, real time, client server, system application programming and value added products including operating systems, languages, compilers, assemblers, interpreters, utilities, tools, drivers and of data organisation, management and dissemination's for use in internet, intranets, e-mail, multi-media, communications, desk top publishing and all entertainment, education, office and home uses and all related data, system and network maintenance, management, training, provision and placement of people for general or specific use of information, data or knowledge and related computer management, engineering consultancy, advisory and IT enabled services.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of IT – Citi Infopark Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited*	10,000	100.00
	Total	**10,000**	**100.00**

* Includes one equity share held by M. Krishnamurthi as a nominee of Vascon Engineers Limited

Directors as of October 31, 2007

The board of directors of IT – Citi Infopark Private Limited are D. Santhanam, Shiv Prakash Nair; and Chandresh V. Shah.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	(4.00)	(3.72)	(0.52)
Sales and Other income	-	-	-
Profit/(Loss) After Tax	(0.28)	(3.20)	(0.52)
Earning per share** (Rs.)	(27.78)	(319.64)	(51.81)
Net Asset Value/Book value per share (Rs.)	(389.55)	361.77)	(42.13)

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Marvel Housing Private Limited

Marvel Housing Private Limited was incorporated on July 11, 2005 as a private limited company and became our subsidiary pursuant to the transfer of 10,000 equity shares by Vatsalya Engineers Limited to us on January 2, 2006. The registered office of MHPL is situated at 15/16, Hazari Baug, LBS Marg, Vikhroli (W), Mumbai 400 083.

The main objects of Marvel Housing Private Limited are

To carry on the business of promoters, builders, developers, constructors and engineers, consultants, decorators and architects and of undertaking turnkey contracts for governments, corporations and others for execution, construction and management of the works, structures and conveniences and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Marvel Housing Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited*	10,000	100.00
	Total	**10,000**	**100.00**

* Includes one equity share held by R.Vasudevan as a nominee of Vascon Engineers Limited

Directors as of October 31, 2007

The board of directors of Marvel Housing Private Limited are M. Krishnamurthi and Sudhakar Shetty.

Financial Performance

(Rs. In million except per share data)

Particulars	For the year ended	
	March 31, 2007	March 31, 2006
Equity Share Capital	0.10	0.10
Reserves and Surplus*	0.84	1.23
Sales and Other income	0.06	2.82
Profit/(Loss) After Tax	0.02	1.23
Earning per share** (Rs.)	1.78	123.49
Net Asset Value/Book value per share (Rs.)	94.27	131.99

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Rose Premises Private Limited

Rose Premises Private Limited was incorporated on May 25, 2006 as a private limited company and became our subsidiary pursuant to the allotment of 2,490,000 equity shares to us on January 6, 2007. Its registered office is situated at Building B, Golden Nest, Sr. No. 15 & others, Vadgaon Sheri, Kalyani Nagar, Pune 411 014.

The main objects of Rose Premises Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation, or otherwise and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning ,levelling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses , residential , commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of Promoters, Builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Rose Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1	Vascon Engineers Limited*	4,000,000	100.00
	Total	**4,000,000**	**100.00**

* Includes one equity share held by M. Krishnamurthi as a nominee of Vascon Engineers Limited

Directors as of October 31, 2007

The board of directors of Rose Premises Private Limited are D. Santhanam and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	40.00
Reserves and Surplus*	(2.17)
Sales and Other income	0.04
Profit/(Loss) After Tax	(2.17)
Earning per share** (Rs.)	(0.54)
Net Asset Value/Book value per share (Rs.)	9.46

* *Excluding revaluation reserves*
* *Face value of Rs. 10 each*

Vascon Dwellings Private Limited

Vascon Dwellings Private Limited was originally incorporated as Tulip Dwellings Private Limited on July 15, 2005 as a private limited company. The name of the company was subsequently changed to Vascon Dwellings Private Limited on December 18, 2006. It became our subsidiary pursuant to the transfer of 10,000 equity shares by Kulin Mehta and Rajesh Gosia to us on April 1, 2006. Its registered office is situated at 15/16, Hazari Baug, LBS Marg, Vikhroli (W), Mumbai 400 083.

The main objects of Vascon Dwellings Private Limited are

To carry on the business of promoters, builders, developers, constructors and engineers, consultants, decorators and architects and of undertaking turnkey contracts for governments, corporations and others for execution, construction and management of the works, structures and conveniences and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Vascon Dwellings Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited*	10,000	100.00
	Total	**10,000**	**100.00**

* Includes one equity share held by R.Vasudevan as a nominee of Vascon Engineers Limited

Directors as of October 31, 2007

The board of directors of Vascon Dwellings Private Limited are M. Krishnamurthi, Shiv Prakash Nair, M.T. Badshah; and Sudhakar Shetty.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended	
	March 31, 2007	March 31, 2006
Equity Share Capital	0.10	0.10
Reserves and Surplus*	(1.55)	(0.02)
Sales and Other income	-	-
Profit/(Loss) After Tax	(1.53)	(0.02)
Earning per share** (Rs.)	(152.81)	(1.96)
Net Asset Value/Book value per share (Rs.)	(144.78)	8.03

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Vascon Pricol Infrastructures Limited

Vascon Pricol Infrastructures Limited was incorporated on April 2, 2007 as a private limited company. Its registered office is situated at A-10, Sri Vari Brindavan, Avarampalayam Road, Coimbatore, Tamil Nadu 641 106

We has acquired shares in Vascon Pricol Infrastructures Limited pursuant to a shareholders agreement dated April 27, 2007 with Pricol Property Development Limited and Vascon Pricol Infrastruture Limited.

The main objects of Vascon Pricol Infrastructures Limited are

1. *To act as property developers, builders, contractors, sub-contractors, architects or engineers, planners and advisors for all types of civil construction contracts and work of all description including landscaping, electric works, highways, tunnels, pipeline, building roads, bridges, drainage and sewage work including carrying on business in India or elsewhere as civil and structural engineers contractors and consultants, builders, building contractors, construction contractors, land and real estate agents, surveyors, architects, consulting, engineers, decorators including interior decorators and to develop urban and rural immovable properties and to apply for tender, purchase or otherwise acquire any construct properties under the scheme of build operate and transfer or build , operate, lease and transfer.*

2. *To manage land, buildings and other property not belonging to the company and to collect rents and income and to supply to tenants and occupiers and other all kinds or services, convenience, privileges, benefits, advantages and amenities, attendance, messenger, light, waiting rooms, reading rooms, meeting rooms, toilet rooms, laundry, convenience, electric conveniences, stables, garages and other advantages.*

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Vascon Pricol Infrastructures Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	4,969,970	69.99
2.	Pricol Property Development Limited	2,129,980	29.99
3.	M. Krishnamurthi	10	0.00*
4.	Shiv Prakash Nair	10	0.00*

S. No.	Name of the shareholder	No. of shares	Percentage
5.	D. Santhanam	10	0.00*
6.	Vikram Mohan	10	0.00*
7.	K. N. Subramanian	10	0.00*
	Total	**7,100,000**	**100.00**

* Less that 0.01 %

Directors as of October 31, 2007

The board of directors of Vascon Pricol Infrastructures Limited are M. Krishnamurthi, D. Santhanam, Shiv Prakash Nair and Vikram Mohan.

Financial Performance

As the company has been incorporated in the current financial year, there are no financials prepared as yet.

Wind Flower Properties Private Limited

Wind Flower Properties Private Limited was incorporated on August 11, 2006 as a private limited company and became our subsidiary pursuant to the transfer of 5,000 equity shares by Vatsalya Engineers Private Limited to us on November 2, 2006. Its registered office is situated at 301, Phoenix, Bund Garden Road, Opposite Residency Club, Pune 411 001.

The main objects of Wind Flower Properties Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning ,levelling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses , residential , commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of promoters, builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Wind Flower Properties Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited*	10,000	100.00
	Total	**10,000**	**100.00**

* Includes one equity share held by M. Krishnamurthi as a nominee of Vascon Engineers Limited

Directors as of October 31, 2007

The board of directors of Wind Flower Properties Private Limited are D. Santhanam; and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	0.10
Reserves and Surplus*	(0.04)
Sales and Other income	-
Profit/(Loss) After Tax	(0.04)
Earning per share** (Rs.)	4.41
Net Asset Value/Book value per share (Rs.)	5.59

** Excluding revaluation reserves*

*** Face value of Rs. 10 each*

Other entities through which we are carrying on development activities

We also have interest in various entities described below, in which we have a stake and/or through whom we are carrying out certain development activities.

I. Companies

Angelica Properties Private Limited

Angelica Properties Private Limited was incorporated on August 8, 2006 as a private limited company. Its registered office is situated at 301, Phoenix, Bund Garden Road, Opposite Residency Club, Pune 411 001.

We entered into a shareholders agreement and a share subscription agreement, both dated October 31, 2006 with Eastlake International Limited, Wandsworth International Limited and Angelica Properties Private Limited, pursuant to which we acquired 26% of the paid up share capital in Angelica Properties Private Limited.

The main objects of Angelica Properties Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning, leveling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses, residential, commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of Promoters, Builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Angelica Properties Private Limited is as follows:

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	4,220,000	26.00
2.	Wands Worth International Limited	6,000,000	37.00
3.	Eastlake International Limited	6,000,000	37.00
	Total	**16,220,000**	**100.00**

The shareholding pattern of preference shares of Angelica Properties Private Limited is as follows:

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	3,712,625	26.00
2.	Wands Worth International Limited	5,284,430	37.00
3.	Eastlake International Limited	5,284,430	37.00
	Total	**14,281,485**	**100.00**

Directors as of October 31, 2007

The board of directors of Angelica Properties Private Limited are D. Santhanam, Shiv Prakash Nair, Sameer Nayar, Robert Brennan Jr. and William Helm Christopher.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	162.20 -
Reserves and Surplus*	542.46
Sales and Other income	-
Profit/(Loss) After Tax	(4.79)
Earning per share** (Rs.)(	(0.30)
Net Asset Value/Book value per share (Rs.)	(43.37)

** Excluding revaluation reserves*

*** Face value of Rs. 10 each*

Just Homes (India) Private Limited

Just Homes (India) Private Limited was incorporated on December 26, 2001 as a private limited company. We acquired an interest in it pursuant to the transfer of 5,000 equity shares by Hamcon Engineers Private Limited to us on April 2, 2006. Its registered office is situated at Sr. No. 15, Vadgaon Sheri, Kalyani Nagar, Pune 411 014.

The main objects of Just Homes (India) Private Limited are

To carry on the business of promoters, builders, developers, constructors and engineers, consultants, decorators and architects and of undertaking turnkey contracts for Governments, corporations and others for execution, construction and management of the works, structures and conveniences and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Just Homes (India) Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	5,000	50.00
2.	Khinvasara H.U.	750	7.50
3.	Khinvasara H. Rajan	750	7.50
4.	R.H. Khinvasara (HUF)	700	7.00
5.	Khinvasara H. Vijaya	700	7.00
6.	Khinvasara R.Nisha	700	7.00
7.	Khinvasara R. Udita	700	7.00
8.	Khinvasara R. Abhishek	700	7.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Just Homes (India) Private Limited are R. Khinvasara, Shiv Prakash Nair, D. Santhanam and N. Khinvasara.

Financial Performance

(Rs. In million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	277.62	22.18	(1.33)
Sales and Other income	474.54	85.41	0.86
Profit/(Loss) After Tax	255.43	23.51	(0.62)
Earning per share** (Rs.)	25,542.60	2,351.40	62.08
Net Asset Value/Book value per share (Rs.)	27,771.99	2,228.39	(123.01)

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Marigold Premises Private Limited

Marigold Premises Private Limited was incorporated on May 28, 1996 as a private limited company. We acquired an interest in it pursuant to the transfer of 25,000 equity shares by Saga Chemicals Private Limited, Hamsons Laboratories Private Limited, Vatsalya Enterprises Private Limited and Lalitha Vasudevan to us on May 22, 2006. Its registered office is situated at Sr. No. 15, Vadgaon Sheri, Kalyani Nagar, Pune 411 014.

The main objects of Marigold Premises Private Limited are

To acquire by purchase, lease, exchange, hire, reclamation, or otherwise and make advances on the security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient, and in particular by laying out and preparing land for building purposes

and preparing building sites by surveying, planning, levelling, plating, paving, draining, converting and appropriating any such land into and for roads, streets, squares, grounds, gardens and other conveniences and by constructing, re-constructing, pulling down, altering, improving, decorating, furnishing , holding, managing, administering, controlling and maintaining offices, flats, service flats, houses, bungalows, chawls, factories, colonies, warehouses, shops, water, water wharves, buildings, swimming pools, markets, hotels, motels, theatres and other works, structures and conveniences of all kinds for residential, commercial, public or industrial purposes and by leasing, relating (on building agreement or otherwise) selling (by installments or otherwise) by creating occupational and other rights and otherwise disposing of the same and to carry on the business of promoters, builders, developers, constructors and engineers, consultants, decorators and architects and of undertaking turnkey contracts for Governments, corporations and others for execution and construction of the aforesaid works, structures and conveniences and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Marigold Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	25,000	50.00
2.	Khinvasara H.U.F	5,000	10.00
3.	Khinvasara H. Rajan	4,999	10.00
4.	R.H. Khinvasara (HUF)	5,000	10.00
5.	Khinvasara H. Vijaya	5,000	10.00
6.	Khinvasara R.Nisha	5,000	10.00
7.	Khinvasara R. Abhishek	1	0.00
	Total	**50000**	**100.00**

Directors as of October 31, 2007

The board of directors of Marigold Premises Private Limited are D. Santhanam, Shiv Prakash Nair, M. Krishnamurthi, R. Khinvasara, Khinvasara; and H. Khinvasara.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.50	0.50	0.50
Reserves and Surplus*	200.65	171.83	153.98
Sales and Other income	144.06	258.19	736.23
Profit/(Loss) After Tax	30.81	44.13	70.93
Earning per share** (Rs.)	616. 23	882.56	1418. 69
Net Asset Value/Book value per share (Rs.)	4,023.00	3,446.68	3,089.56

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Mumbai Estates Private Limited

Mumbai Estates Private Limited was incorporated on August 9, 2006 as a private limited company and its registered office is located at 401, Rajendra Chambers, 19, Nanabhai Lane, Fort, Mumbai 400 001.

The main objects of Mumbai Estates Private Limited are

1. *To carry on in India and abroad, the business of real estate development, construction of buildings for residential, commercial and industrial premises and leasing of property.*

2. *To carry on the business as builders, developers, contractors, sub contractors, in regard to erection and construction of houses, building, ownership flats, godowns sheds, factories, offices, garage, ware-houses, shops, malls and any other tenements or residential, commercial and industrial premises, roads, bridges, cannels, flyovers, footways, subways parkings plots, multiplexes, school, college, special residential township, special economic zone and to pull down, rebuild, enlarge, extend alter and improve the existing economic Zone and to pull down, rebuild, enlarge, extend alter and improve the existing properties and entering into contracts and arrangements of all kinds with builders, tenants and others.*

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Mumbai Estates Private Limited is as follows

S. No.	Shareholder	Number of shares	Percentage
1	Rajendra Mehta	9,800	49.02
2	Mangala Mehta	100	0.49
3	Rakesh Mehta	100	0.49
4	Vascon Engineers Limited	10,000	50.00
	Total	**20,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Mumbai Estates Private Limited Rajendra Mehta, Mangala Mehta, Rakesh Mehta, S.P. Nair, M. Krishnamurthi and D. Santhanam.

Financial Information

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	0.20
Reserves and Surplus*	(0, 32)
Sales and Other income	0.04
Profit/(Loss) After Tax	(0.32)
Earning per share** (Rs.)	(16.07)
Net Asset Value/Book value per share (Rs.)	(16.07)

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Syringa Properties Private Limited

Syringa Properties Private Limited was incorporated on August 11, 2006 as a private limited company. Its registered office is situated at 301, Phoenix, Bund Garden Road, Opposite Residency Club, Pune 411 001.

The main objects of Syringa Properties Private Limited are:

To acquire by purchase, lease, exchange, hire, reclamation and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning, leveling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building houses , residential , commercial buildings, software park, knowledge park, SEZ Projects purposes as to carry on the business of Promoters, Builders, developers, contactors, engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Syringa Properties Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	5,000	50.00
2.	Hamcon Engineers Private Limited	5,000	50.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Syringa Properties Private Limited are Shiv Prakash Nair and D. Santhanam.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2007
Equity Share Capital	0.10
Reserves and Surplus*	(0.03)
Sales and Other income	-
Profit/(Loss) After Tax	(0.03)
Earning per share** (Rs.)	(3.09)
Net Asset Value/Book value per share (Rs.)	6.91

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Viorica Properties Private Limited

Viorica Properties Private Limited was incorporated on January 11, 2005 as a private limited company. Its registered office is situated at 301, Phoenix Bund Garden Road, Opposite Residency Club, Pune 411 001.

The main objects of Viorica Properties Private Limited are:

To acquire by purchase, lease, exchange, hire, reclamation, and make advances on security of and deal with or traffic in lands, buildings and hereditaments of any tenure or description and any rights, easements, estate or interest therein or connected therewith and to develop and turn the same to account as may seem expedient and in particularly by laying out and preparing land, building sites by surveying, planning ,leveling, plating, paving, draining, converting for roads, streets, squares, grounds, gardens and building hoses and residential building purposes as to carry on the business of Promoters, Builders, developers, constructions and engineers, consultants, decorators, and architects and of undertakings turnkey contracts for Governments, corporations and others for execution, consultants and management of the works, structures and convenience and civil and architectural projects.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Viorica Properties Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vascon Engineers Limited	1,125,000	37.50
2.	Jasper Developers Private Limited	1,125,000	37.50
3.	Ishwarchand Goyal	300,000	10.00
4.	Pritam Goyal	225,000	7.50
5.	Sachin Goyal	225,000	7.50
	Total	**3,000,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Viorica Properties Private Limited are D. Santhanam, Shiv Prakash Nair, Ishwarchand Goyal and N.R. Prasad.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	30.00	0.10	0.10
Reserves and Surplus*	(1.56)	(0.02)	(0.02)
Sales and Other income	-	-	-
Profit/(Loss) After Tax	(1.54)	(0.00)	(0.02)
Earning per share** (Rs.)	(3,77)	(0.10)	(2.19)
Net Asset Value/Book value per share (Rs.)	9.48	7.71	7.81

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

John Fowler Ophthalmics Private Limited

John Fowler Ophthalmics Private Limited was incorporated on November 29, 1995 as a private limited company. Its registered office is situated at 19, Raj Mahal, 84 Veer Nariman Road, Mumbai 400020.

We acquired 49% of the share capital of John Fowler Ophthalmics Private Limited pursuant to a shareholders agreement and a share subscription agreement, both dated October 15, 2007 with John Fowler Ophthalmics Private Limited and its other shareholders, i.e Rajendra Badrinarayan Barwale, and the other equity shareholders.

The main objects of John Fowler Ophthalmics Private Limited are:

1. *To carry on the business of manufactures, buyers, sellers, dealers in importers and exporters of ophthalmic, medicinal, surgical and diagnostic preparations, drops, items, drugs, compounds, ointments, lotions, including lenses of all kinds and sizes and other related diagnostic or surgical equipments, articles, apparatuses, appliances, instruments, accessories and aids thereto.*

2. *To assist, establish, conduct, guide, supervise, provide, administer, encourage, initiate, promote and maintain one or more hospitals, diagnostic units, dispensaries and medical centers for the care, cure, treatment and relief of every kind of eye related illness, diseases, problems and deficiencies either alone or in association with any Government authority, Central and State, local or Foreign Bodies, Companies, Corporations, Undertakings, Chamber of Commerce, social, cultural, charitable and Philanthropic Organisations or institutions or individuals.*

Shareholding as on October 31, 2007

The shareholding pattern of John Fowler Ophthalmics Private Limited is as follows

Equity Shares

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Barwale Ramulal Badrinarayan	10	0.00
2.	Barwale Badrinarayan Rajendra	10	0.00
3.	Goyal Balbhadra Arun	2500	0.05
4.	Rajur Ganpati Investment and Trading Private Limited.	550000	11.87
5.	Dudhna Investment And Trading Private Limited.	20000	0.43
6.	Harbhajan Investment And Trading Private Limited	550000	11.87
7.	Harirani Investment And Trading Private Limited	20000	0.43
8.	Keligavan Investment And Trading Private Limited	879980	19.00
9.	Sarkara Investment And Trading Private Limited.	290000	6.26
10.	Nidhona Investment And Trading Private Limited	50000	1.08
11.	Vascon Engineers Limited*	2269853	49.00
	Total	**4632353**	**100**

* Shares are partly paid up

Preference Capital

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Chittoda Investment and Trading Private Limited	102000	3.29
2.	Jamwadi Investment and Trading Private Limited	90000	2.90
3.	Gangabhasin Bhikulal Investment and Trading Private Limited	2500000	80.64
4.	Rajur Ganpati Investment and Trading Private Limited.	65000	2.09
5.	Dudhna Investment And Trading Private Limited.	38000	1.22
6.	Harbhajan Investment And Trading Private Limited	66000	2.12
7.	Harirani Investment And Trading Private Limited.	16000	0.51
8.	Keligavan Investment And Trading Private Limited	109000	3.51
9.	Sarkara Investment And Trading Private Limited.	114000	3.67
	Total	**3100000**	**100.00**

Directors as of October 31, 2007

The board of directors of John Fowler Ophthalmics Private Limited are M Krishnamurthi, Shiv Prakash Nair, Rajendra Barwale, Rajendra Barwale, Badrinarayan Barwale, Sushma Barwale.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	26.25	26.25	26.25
Reserves and Surplus*	(34.67)	(23.99)	(25.13)
Sales and Other income	10.10	25.09	27.76
Profit/(Loss) After Tax	(10.68)	(1.14)	0.49
Earning per share** (Rs.)	(4.07)	0.43	0.19
Net Asset Value/Book value per share (Rs.)	(3.28)	0.74	0.25

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Marathawada Realtors Private Limited

Marathawada Realtors Private Limited was originally incorporated as Deogiri Chemical Industries Private Limited on December 14, 1984, as a private limited company. In 2006, the name of the company was changed from Deogiri Chemical Industries Private Limited to Marathawada Realtors Private Limited. Its registered office is situated at 19, Raj Mahal, 84 Veer Nariman Road, Mumbai 400020.

We acquired 49% of the share capital of Marathawada Realtors Private Limited pursuant to a shareholders agreement and a share subscription agreement, both dated October 15, 2007 with Marathawada Realtors Private Limited and its other shareholders, i.e Dudhna Investment and Trading Private Limited and the other equity shareholders.

The main objects of Marathawada Realtors Private Limited are:

To carry on the business and to own, buy, sell, possess, develop, construct, demolish, rebuild, renovate, repair, maintain, let out, hire, rent, lease, pledge, mortgage, or otherwise deal in properties, lands and buildings and /or to purchase for investment or re-sale and to traffic in lands and houses and other immovable properties of any tenure and any interest therein and to create and interest, sell and deal in freehold and leasehold ground and land and to promote formation to co- operative Housing Societies, Companies, Trust or other Association and to provide accommodation for residence and business for any other purpose.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Marathawada Realtors Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Almet Corporation limited	10,000	25.50
2.	Dudhana Investments and Trading Private Limted	1600	4.08
3.	Jamwadi Investment And Trading Private Limited	1600	4.08
4.	Sarkara Investments and Trading Private Limted	1600	4.08
5.	Chittoda Investment and Trading Private Limted	3600	9.18
6.	Keligavan Investment and Trading Private Limted	1600	4.08
7.	Vascon Engineers Limited*	19,216	49.00
	Total	**39216**	**100**

* Shares are partly paid up

Directors as of October 31, 2007

The board of directors of Marathawada Realtors Private Limited are M Krishnamurthi, Shiv Prakash Nair, Rajendra Barwale, Badrinarayan Barwale, Ramkrishna Bagadiya, and Shirish Barwale.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	2.00	2.00	2.00
Reserves and Surplus*	(2.37)	(1.49)	(1.46)
Sales and Other income	2.01	0.20	0.17
Profit/(Loss) After Tax	(0.87)	(0.03)	(0.16)
Earning per share** (Rs.)	(43.75)	(1.71)	(8.16)
Net Asset Value/Book value per share (Rs.)	18.41	25. 33	27.05

* *Excluding revaluation reserves*
** *Face value of Rs. 100 each*

Almet Corporation Limited

Almet Corporation Limited was incorporated on July 18, 1960 as a private limited company. On May 18, 1976 status of the company changed to a public limited company. Its registered office is situated at 332, Adhyari, Indlestate, Sun Mill Compound, Lower Parel, Mumbai 400 013.

We acquired 49% of the share capital of Almet Corporation Limited pursuant to a shareholders agreement and a share subscription agreement, both dated October 15, 2007 with Almet Corporation Limited and its other shareholders, i.e. Rajur Ganpati Investment and Trading Private Limited, and the other equity shareholders.

The main objects of Almet Corporation Limited include:

1. *To carry on in India or elsewhere any trade, business, manufacture, commerce or mining, and the export and import of all kinds of produce and merchandise, plats and machineries and also business as agents, dealers, brokers, factors, financiers, shippers, manufacturers, planters, contractors, engineers, ship-owners, lightermen, carriers by land and sea, dockowners, whar-fingers and warehousemen.*
2. *To carry on business as financiers and merchants and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations and also to borrow or lend and advance money and to sell and deal with stocks, funds, shares, debentures, debenture-stocks, bonds, obligations and other securities.*
3. *To carry on business of general manufacturers and to manufacture, buy sell and deal in apparatus, machinery materials and articles of all kinds.*

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Almet Corporation Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Niten Gobindrao Bilolikar	50	0.08
2.	Madhukar Purshottam Gikhale	50	0.08
3.	Nidhona Investment and Trading Private Limited	3,600	6.12
4.	Rajur Ganpati Investment and Trading Private Limited	1,858	3.16
5.	Sarkara Investment and Trading Private Limited	2,772	4.71
6.	Harirani Investment and Trading Private Limited	1,600	2.72
7.	Chittoda Investment and Trading Private Limited	2,750	4.67
8.	Jamwadi Investment and Trading Private Limited	1,000	1.70
9.	Keligavan Investment and Trading Private Limited	1,250	2.12
10.	R B Barwale	11,320	19.24
11.	Jalna Seeds Processing and Refrigeration Company Limited	3,750	6.37
12.	Vascon Engineers Limited*	28,824	49.00
	Total	**58,824**	100.00

* Shares are partly paid up

Directors as of October 31, 2007

The board of directors of Almet Corporation Limited are M. Krishnamurthi, Shiv Prakash Nair, and. Rajendra Barwale.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	1.50	1.50	1.50
Reserves and Surplus*	(39.17)	(34.00)	(29.15)
Sales and Other income	104.94	78.15	62.39
Profit/(Loss) After Tax	(5.18)	(4.43)	(29.53)
Earning per share** (Rs.)	(345.14)	(323.11)	(86.87)
Net Asset Value/Book value per share (Rs.)	(2511. 55)	(2166.42))	(1843.33)

** Excluding revaluation reserves*
*** Face value of Rs. 100 each*

Ascent Hotels Private Limited

Ascent Hotels Private Limited was incorporated on July 5, 2005 as a public limited company. Its registered office is situated at Plot No 114, Dr. E Moses Road, Worli, Mumbai.

We entered into a Shareholders Agreement dated May 9, 2007 with Spring Leaf Investments Limited and Ascent Hotels Private Limited. Pursuant to the terms of this agreement, we currently holds 26% of the equity share capital in the company and in the future shall make capital contributions as and when required by Ascent Hotels Private Limited to ensure that its shareholding shall be at 26% of the paid up share capital.

The main objects of Ascent Hotels Private Limited are:

To acquire, own, manage, administer, construct, operate, maintain and to carry on the business of running hotels, motels, tourist resorts, holiday resorts, holiday camps, restaurants, group of hotels, guest houses, convention halls, canteens, caterers, cafe, taverns, pubs, bars, clubs, inns, houses, refreshment rooms and lodging or apartments, house keepers, night clubs, casinos, discotheques, swimming pools, sports complexes, gymnasiums, health clubs, baths dressing rooms, licensed wine, beer and spirit merchants, exporters, importers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors, caterers for public amusement

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Ascent Hotels Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Adarsh Jatia	5000	0.14
2.	Shashi Jatia	2400	0.069
3.	Vascon Engineers Limted	902600	26.00
4.	Springleaf investments Limted	2561538	73.78
	Total	**3471538**	**100.00**

Directors as of October 31, 2007

The board of directors of Ascent Hotels Private Limited are Shivkumar Jatia, Rajkumar Jatia, Shahshi Jatia, Adarsh Jatia, R. Vasudevan, H S Sethuram and Gautham Diwan.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year endedMarch 31, 2006
Equity Share Capital	0.10
Reserves and Surplus*	-
Sales and Other income	-
Profit/(Loss) After Tax	-
Earning per share** (Rs.)	-
Net Asset Value/Book value per share (Rs.)	10.00

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

II. Association of Persons

Just Homes Associates

Just Homes Associates was formed as an association of persons pursuant to an agreement to a single joint venture agreement dated June 15, 2004 between Rock Enterprises, Just Homes (India) Private Limited and Marigold Premises Private Limited. Its principal office is located at 201, Phoenix Bund Garden Road, Opp. Residency Club, Pune 411 001. It is engaged in the business of real estate development.

The profits before tax of Just Homes Associates shall be shared as follows -

1 An amount equivalent to the difference between 42.50% of the gross sale proceeds and the cost of land brought in by Rock Enterprises will be debited to the Profit and Loss Appropriation Account and credited to the account of the Rock Enterprises.
2 The income tax amount, if any, paid/ payable by the association of persons shall be proportionately debited to the current account of the parties to the agreement.
3 The net balance available in the profit and loss appropriation account, after the above, shall be credited/debited (as the case may be) to the account of Just Homes (India) Private Limited.

Financial Performance

(In Rs. million)

	Year Ended March 31		
Particulars	**2007**	**2006**	**2005**
Capital	500.69	111.31	15.92
Sales and other Income	724.92	290.56	4.70
Profit	456.75	140.93	0.30

Zircon Ventures

Zircon Ventures was formed as an association of persons pursuant to a single jpint venture agreement dated December 13, 2004 between Shreemangal Pristine Builders and us. Its principal office is located at 201, Phoenix Bund Garden Road, Opp. Residency Club, Pune 411001. It is engaged in the business of real estate development.

The profits before tax of Zircon Ventures shall be shared as follows –

1. An amount equivalent to the difference between 33% of the gross sale proceeds and the cost of land brought in by Shreemangal Pristine Builders and also the cost of TDR, if any, paid by Zircon Ventures on behalf of Shreemangal Pristine Builders will be debited to the Profit and Loss Appropriation account and credited to the current account of Shreemangal Pristine Builders as their share of the profit.
2. The income tax amount, if any, paid/ payable by the association of persons shall be proportionately debited to the current account of the parties to the agreement.
3. The net balance available in the Profit and Loss Appropriation Account, after the above, shall be credited/debited (as the case may be) to the account of Vascon Engineers Limited.

Financial Performance

(In Rs. million)

	Year Ended March 31	
Particulars	**2007**	**2006**
Capital	(160.66)	(70.99)
Sales and other Income	288.11	18.47
Profit	62.68	(1.62)

Zenith Ventures

Zenith Ventures was formed as an association of persons pursuant to a single joint venture agreement dated February 2, 2005 between Sumangal Enterprises and us. The commercial terms between the parties were revised pursuant to an addendum dated August 10, 2006 to the above agreement. Its principal office is located at 201, Phoenix Bund Garden Road, Opp. Residency Club, Pune 411 001. It is engaged in the business of real estate development.

The profits of Zenith Ventures shall be shared as follows –

1. Sumangal Enterprises shall be entitled to fixed share of profit which will be 42.50% of the gross sale proceeds of the shops in the mall sold or leased. The amount/profit so arrived at will be assumed to be inclusive of capital contribution/investment made by Sumangal Enterprises for the purchase of the said properties as also the cost of the TDR and other costs which are agreed to be borne and paid by Sumangal Enterprises.

2. We are entitled to the profit arrived at after deducting expenses including statutory liabilities/payment relating to the project and fixed share of profit of Sumangal Enterprises.

3. The income tax amount, if any, paid/payable by the AOP shall be proportionately debited/recovered (proportion to the profit distributed by each party) from both the parties.

Financial Performance

(In Rs. million)

	Year Ended March 31	
Particulars	**2007**	**2006**
Capital	33.17	16.73
Sales and other Income	22.60	0.00
Profit	4.55	(0.74)

Phoenix Ventures

Phoenix Ventures was formed as an association of persons pursuant to a single joint venture agreement agreement dated September 20, 2005 between Jasper Developers Private Limited and us. Its principal office is located at 201, Phoenix Bund Garden Road, Opp. Residency Club, Pune 411 001. It is engaged in the business of real estate development.

We shall receive 10% of the total cost of the project as management fee. The balance profits of Phoenix Ventures shall be shared in the ratio of 1:1 between Jasper Developers Private Limited and us.

Financial Performance

(In Rs. million)

	Year Ended March 31	
Particulars	**2007**	**2006**
Capital	29.98	30.00
Sales and other Income	0.05	-
Profit	(0.02)	-

Weikfield IT- Citi Infopark

Weikfield IT- Citi Infopark was formed as an association of persons pursuant to a single joint venture agreement dated December 19, 2003 and addendum dated May 10, 2004 between Weikfield Products Co. (India) Private Limited and IT Citi Infopark Private Limited. Again by way of another addendum dated July 3, 2006 our Company was made a party to the agreement. Its principal office is located at 201, Phoenix Bund Garden Road, Opp. Residency Club, Pune - 411001. It is engaged in the business of real estate development.

The profit after tax of Weikfield IT- Citi Infopark shall be shared as follows-

i) 37% of the gross sale/lease proceeds shall first be provided as share of the profit of Weikfield Products Co. (I) Private Limited. The said 37% of the gross sale proceeds shall be treated as a charge on the profit payable to Weikfield Products Co. (I) Private Limited.

ii) 15% of the gross sale/lease proceeds shall be provided as share of the profit of Vascon Engineers Limited. The said 15% of the gross sale proceeds shall be treated as a charge on the profit payable to Vascon Engineers Limited

iii) The resultant/profit loss after providing 37% and 15% of gross sale proceeds payable as share to Weikfield Products Co. (I) Private Limited and Vascon Engineers Limited respectively shall be further shared as under –

Name of the entity	Share in Profit (%)	Share in loss (%)
Weikfield Products Co. (I) Private Limited	1	0
IT Citi Infopark Private Limited	98	99
Vascon Engineers Limited	1	1

Provided further the amount of profit payable to Weikfield Products Co. (I) Private Limited shall be after adjusting the amount (being the cost of the property credited to the account of Weikfield Products Co. (I) Private Limited) for contributing such property as capital in kind in the association of persons i.e. no further separate amount shall be payable to Weikfield Products Co. (I) Private Limited over and above the share in the profit for its capital contribution in kind.

iv) The commission/ brokerage if any payable in respect of the sale/lease of the units to be constructed on the said property shall be borne and paid by the parties in the proportion of 37% by Weikfield Products Co. (I) Private Limited, 48% by IT Citi Infopark Private Limited and 15% by Vascon Engineers Limited.

v) The income tax, if any, payable for this venture shall be paid by the association of persons and shall be recovered from the parties in the proportion of the profit distributed to each parties.

Financial Performance

(In Rs. million)

Particulars	Year Ended March 31		
	2007	2006	2005
Capital	0.10	0.10	-
Sales and other Income	970.99	2.24	-
Profit	454.36	0.34	-

III. Partnerships

Ajanta Enterprises

Ajanta Enterprises was originally formed pursuant to a partnership deed dated April 7, 1995 between Azim Tapia, Javed Faizullah Tapia, Raj Kanaksen Bhansali, Shishir Babalal Bhansali and Dhiren Popatlal Nandu and was reconstituted was way of a partnership deed dated September 24, 2004 to also include Vascon Engineers Limited and Madhur Realtors Private Limited. Its principal office is located at Sr. No. 40, 41 & 59 of Village Kharadi, Haveli, Pune. It is engaged in the business of real estate development.

Profit and Loss Sharing Ratio as of October 31, 2007

Name of Partners	Profit & Loss Sharing Ratio (%)
Azim Faizullah Tapia	10.00
Javed Faizullah Tapia	10.00
Raj Kanaksen Bhansali	17.50
Shishir Babalal Bhansali	2.50
Dhiren Popatlal Nandu	10.00
Vascon Engineers Limited	30.00
Madhur Realtors Private Limited	20.00
Total	**100.00**

Financial Performance

(In Rs. million)

Particulars	Year Ended March 31		
	2006	2005	2004
Capital	108.25	106.50	8.28
Sales and other Income	1.89	-	3.65
Profit	1.44	(0.50)	0.03

We have also made payments as share application money for the acquisition of the stake in the following entity.

N.V. Projects Private Limited

N.V. Projects Private Limited was incorporated on February 6, 2007 as a private limited company. Its registered office is situated at D-5, Everest Buidling, 5th Floor, J. Dadaji Marg, Tardeo, Mumbai 400 034.

The main objects of N.V. Projects Private Limited are

To carry on the business in India and abroad of development of real estate and iin that respect to conceive, design, invest, construct, build, manage, set up and maintain, eitther on its own or under a stratgic alliance r joint venture or any other arrangement townships, housing, built up infrastructure and construction-development projects including but not limited to housing, commercia premises, hotels, rsorts, hospitals, educational institutions, recreational facilities, industrial parks, special economic zones, city and egional level infrastructure, inclusive or exclusive of such infrastructural facilities/amenities such as roads, water supply, street lighting, drainage, sewerage, roads and bridges, mass rapid transit systems and other conveniences, an integrated trechno tonwship, technology parks, software parks, electronic and hardware technology parks, cybercity and infocity, property including residential flats, office premises, houses, buildings, sheds and other fixtures on land and buildings and any rights or privileges.

Shareholding as on October 31, 2007

The Company has paid N.V. Projects Private Limited its contribution as share application money towards subscription of 26% of its share capital. As of the date of this DRHP, these shares have not yet been allotted to the Company. The shareholding pattern of N.V. Projects Private Limited is provided below:

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Bawant Singh Chauhan	5,000	50.00
2.	Chirag Shah	5,000	50.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of N.V. Projects Private Limited are Chirag Shah and Prakash Mhatre.

Financial Performance

As the company has been incorporated in the current financial year, there are no financials prepared as yet.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than three and not more than 12 Directors. We currently have six Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sl. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/Propreitorships/Partnerships/Trust
1.	R. Vasudevan (S/o. N. R. Moorthy) *Managing Director* DIN: 00013519 Plot 315, The Woods Vatsalya Koregaon Park Pune 411 014 *Service* Term: For a period of five years with effect from April 1, 2006.	Indian	55	**Companies** 1. Ascent Hotels Private Limited 2. Novacare Drug Specialities Private Limited. **Partnerships** 3. Venus Ventures; **Trusts** 4. N.R. Moorthy Charitable Trust; 5. Marigold Balaji Trust. 6. Golden Nest Marigold Trust
2.	Amar Lulla (S/o. Mohan Singh Lulla) Non Executive Director DIN: 00026027 131, Maker Towers 'L' Cuffe Parade G.D. Somani Marg Mumbai 400005 *Service* Term: Liable to retire by rotation	Indian	59	**Companies** 1. Cipla Limited **Trusts** 2. Cipla Public Charitable Trust 3. Hamied Foundation 4. Cipla Cancer & Aids Foundation 5. Yusuf and Farida Hamied Foundation
3.	K.G. Krishnamurthy (S/o G.K. Nagaratnam) *Non-Executive Director* Nominee director of HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund DIN: 00012579 Flat 403, Meru Heights 268, Telang Road Matunga Mumbai 400019 *Service* Term: Liable to retire by rotation	Indian	51	**Companies** 1. HDFC Venture Capital Limited; 2. HDFC Property Ventures Limited; 3. Gruh Finance Limited; 4. Tata Housing Development Company Limited; 5. L&T Urban Infrastructure Limited; 6. Indian Association For Savings And Credit 7. Sansara Hotels India (P) Limited **Trust** 8. Smt. Ramaben Babubhai Kanakia School 9. The Bombay Community Public Trust.

Sl. No.	Name, Father's Name, Designation, DIN, Residential Address, Occupation, Term	Nationality	Age (years)	Other Directorships/Propreitorships/Partnerships/Trust
4.	V. Mohan (S/o Danapani Venkatraman) *Independent Director* DIN: 00071517 Waman 46/3, Garodia Nagar Ghatkopar (E) Mumbai 400 077 *Business* Term: Liable to retire by rotation	Indian	59	**Companies** 1. Lloyd Insulations (India) Limited; 2. Isolloyd Engineering Technologies Limited; 3. Champion Industries Limited; 4. QH Talbros Limited; 5. Talbros Automotive Components Limited; **Partnerships** 6. V. Sankar Aiyar & Company, Chartered Accountants.
5.	Ameet Hariani (S/o Pratapsinh Hariani) *Independent Director* DIN: 00087866 62B, Pedder Road, Mumbai 400 026 *Professional* Term: Liable to retire by rotation	Indian	47	**Companies** 1. Batliboi Limited; 2. Ras Resorts & Apart Hotels Limited; 3. Hariani Advisory Services Private Limited 4. Radicle Infotech Private Limited; 5. Envision Computers Private Limited. **Partnerships** 6. Hariani & Co. **Trusts** 7. Haridwar Gujarati Dharamshala Trust 8. Bombay Gow Rakshak Trust 9. Xaverites Trust 10. P.D.Hariani Charity Trust 11. N.R. Moorthy Charitable Trust
6.	R. Kannan (S/o P. Ramakrishnan) *Independent Director* DIN: 00017321 1202, Ixora, Banyan Drive, Hiranandani Meadows, Gladys Alwares Road, Off. Pokhran Road No. 2, Thane (West) 400 610 *Business* Term: Liable to retire by rotation	Indian	48	**Companies** 1. Novacare Drug Specialties Private Limited. 2. Novamark Specialties Private Limited. 3. Medword Pharmaceuticals Private Limited.

Brief biographies of our Directors

R. Vasudevan, holds a bachelor's degree in civil engineering from the Pune University in first class. He has been awarded the Top Management Consortium Award of Excellence for the year 2005. He was also awarded the 'Construction World - Top Builder Award' in 2007. He started his career with Maharashtra Industrial Development Corpoation as a junior engineer and has worked in various organisations including Hindustan Construction Company Limited, Atul Constructions Company Limited, Beck Engineer Company Private Limited and Cipla Limited. He was employed in Cipla Limited as a Executive (Engineering Service) from 1981 to 1985. He has been our director since January 1, 1986. He is responsible for the over-all management of our Company. He has 31 years of experience in the construction industry.

Amar Lulla, holds a bachelor's degree in commerce from the Bombay University. He is a fellow member of the Institue of Chartered Accountants of India and also a gold medal recipient. He has over 31 years of experience in the manufacturing and technical services, finance and administration. He is currently the joint managing director of Cipla Limited. He has been a director on our Board since February 17, 2007.

K.G. Krishnamurthy, holds a bachelor's degree from the Indian Institute of Technology, Kharagpur, and a degree in business administration from the Jamnalal Bajaj Institute of Management, Mumbai. He has 30 years of experience in the areas of real estate, construction finance, property valuation and property search services. He is currently the Managing Director and Chief Executive Officer of HDFC Property Ventures Limited. He has also been appointed on the board of various companies. He is appointed on our Board as the nominee director of HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund. He has been the director on our Board since June 21, 2006.

V. Mohan, holds a bachelor's degree in commerce from the Madras University. He is also a fellow member of the Institue of Chartered Accountants of India. He is a practicing chartered accountant with more than 25 years of experience in secretarial matters. He is also a partner of Sankar Aiyar & Company, Chartered Accountants. He has been a director on our Board since March 6, 2007.

Ameet Hariani, holds a degree in law and also a masters in law from from Bombay University. Besides being a member of the Bombay Incorporated Law Society and the Law Society, UK, he is also a member of the Singapore Law Society. He is a practicing lawyer with over 23 years of experience with Hariani & Co., Advocates & Solicitors, where he is the partner. He has been on our Board since September 19, 2007.

R. Kannan, holds a bachelor's degree in commerce from the Mumbai University. He has over 20 years of experience in the pharmaceutical industry. Currently, he is the Managing Director of Novacare Drug Specialities Private Limited in addition to being appointed on the board of various other companies. He has been on our Board since September 19, 2007.

Remuneration of our Executive Director

R. Vasudevan

R. Vasudevan was re-appointed as our Managing Director for a period of five years with effect from April 1, 2006, pursuant to a resolution of our shareholders dated June 21, 2006. The terms of his employment and remuneration include the following:

The details of remuneration include the following:

Particulars	Remuneration
Salary	• Rs. 435, 000 per month, in the scale 435,000 – 100,000 – 935, 000
Other allowances	• Leave travel allowance equivalent to one month's salary • Medical reimbursement up to Rs. 15,000 for domiciliary expenses and reimbursement of medical expenses for major sickness and hospitalization on production of vouchers for self and other relatives at actuals.
Contribution to provident fund	• 12% per annum
Perquisites	• Use of Company's car for Company's business and partial private use
Accommodation	• Rent free furnished accommodation or housing rent allowance of Rs. 65,000 per month at the option of the Managing Director
Additional payment by way of bonus or ex-gratia or payment in any other manner	• Sum not exceeding five per cent of the net profits of the Company, including the above remuneration, as additional payment by ex-gratia, bonus or otherwise in any other manner in any one financial year of the Company subject to the condition that profits are adequate to absorb this additional financial burden
Salary in the event of inadequacy of profit	• In the event of loss or inadequacy of profit, in any financial year, he shall be entitled to receive a total remuneration including perquisites etc., not exceeding the ceiling limits as per Schedule XIII of the Companies Act, 1956 or any modifications, thereon.

The remuneration by way of salary and commission payable to R .Vasudevan is within the limits laid down in Section 198 and Section 309 of the Companies Act. In relation to the other Directors of the Company, apart from sitting fees and reimbursement of expenses, no remuneration is payable by the Company.

Details of Borrowing Powers of Our Directors

Our Articles, subject to the provisions of Section 293(1)(d) 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. The shareholders of the Company, through a resolution passed at the EGM dated October 23, 2007, authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 9,500 million at any time.

Payment or benefit to directors/ officers of our Company

Except as stated in this section titled "Our Management" beginning on page 120, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

Apart from the remuneration of certain of our Directors as stipulated in the section titled "Our Management – Remuneration of Our Executive Director" on page 122 above, our Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act and the rules made thereunder and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

Our non executive Directors are eligible for sitting fees of Rs. 10,000 for each Board meeting that he attends. No amount is payable to any director in case of a meeting of any committee of the Board.

Further, no benefits are payable upon the termination of the services of a Director.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

R. Vasudevan and Lalitha Vasudevan, our Individual Promoters hold equal share in Venus Ventures with whom we have entered into an MoU to acquire the land as and when the lands are acquired by Venus Ventures. For further details, refer our "Our Business-Land Reserves" on page 66. Our Company avails of legal advice from Hariani & Co, in which one of our independent directors Ameet Hariani is a partner.

Except as stated in the section titled "Related Party Transactions" on page 145, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business. Further, please refer to the section titled "Our Promoter - Interests of Promoters and Common Pursuits" on page 143.

Our Directors have no interest in any property acquired by us two years prior to the date of this Draft Red Herring Prospectus, except in relation to the lands located at Wagholi, as described above.

Every Director of our Company and the officers of our Company shall be indemnified by our Company against and it shall be the duty of the Directors out of the funds of our Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary or officer or servant or in any way in the discharge of his duties.

Subject to the provisions of the Act and the Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum

primarily due from our Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of our Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

Corporate Governance

We have complied with the SEBI Guidelines with respect to corporate governance especially with respect to broad basing of our Board, constituting committees such as Audit Committee, Investors Grievance Committee and Remuneration/compensation committee. Further, the provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We have complied with such provisions, including with respect to the appointment of independent Directors to our Board and the constitution of committees of our Board. We have also adopted the Corporate Governance Code in accordance with Clause 49 of the listing agreements to be entered into with the Stock Exchanges prior to listing.

The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently, our Board has six Directors, consisting of, our Managing Director, two non-executive Directors and three independent Directors. Further, in compliance with Clause 49 of the Listing Agreement to the extent applicable to a Company for the first time, the following Committees have been formed.

Audit Committee

The audit committee of our Board was constituted by our Board in terms of their resolution dated February 17, 2007 to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The Audit Committee was reconstituted on September 19, 2007 and consists of V. Mohan (Chairman), Ameet Hariani, R. Kannan, and R. Vasudevan.

The terms of reference of the Audit Committee include:

- To recommend to the Board the remuneration of the Auditors, if the same is not fixed by shareholders and is delegated to the Board;
- Where the audit committee finds that the quality, efficiency and contribution of the Auditors is not satisfactory, then the audit committee shall take up the matter with the Auditors, and in case the Auditors do not resign, the Audit Committee shall find a suitable replacement and recommend their appointment to the Board including terms & conditions as to remuneration or otherwise;
- To approve payment to the Auditors for services other than the audit;
- To approve the bills of the Auditors for services in any other capacity.
- To examine any changes in accounting policies and the reasons thereof;
- To examine major accounting entries based on the exercise of judgment by the management;
- Where the Auditors makes some qualifications in their draft report, to examine the details causing such qualification and suggest suitable addendum in the Directors' report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- 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 material nature and reporting the matter to the Board;
- To look into the reasons for substantial defaults in the payments to depositors, debentureholders, shareholders (in case of non payment of declared dividend) and creditors; and
- To carry out such other functions as may be specifically referred to, by the Board, from time to time.

Investor Grievance Committee

The investor grievance committee of our Board was constituted by our Board in terms of their resolution dated June 11, 2007. The investor grievance committee consists of Amar Lulla (Chairman), R. Vasudevan

and V Mohan. The investor grievance committee is responsible for the redressal of shareholders' grievances, particularly with reference to:

- Transfer/transmission of shares;
- Issue of duplicate share certificates;
- Review of shares dematerialized and all related matters;
- Monitoring expeditious redressal of investors' grievances;
- Non-receipt of annual reports and dividends; and
- All other matters related to shares/debentures.

Remuneration/ Compensation Committee

The remuneration/compensation committee of our Board was constituted by our Board in terms of their resolution dated June 11, 2007. The Compensation Committee was reconstituted on September 19, 2007 and consists of V. Mohan (Chairman), R. Kannan, Ameet Hariani and Amar Lulla.

The terms of reference of the remuneration/compensation Committee include:

1. To discharge the Board's responsibilities relating to compensation to the Company's Executive Directors.
2. To approve and evaluate the Executive Director's compensation plans, policies and programmes of the Company.
3. To formulate, administer and adopt the Employees' Stock Option Plan (ESOP) of the Company.
4. To determine the quantum of option to be granted under an ESOP per employee and the total number in aggregate.
5. To determine at such intervals, as the Committee considers appropriate, the persons to whom shares or options may be granted.
6. To decide the conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
7. To determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period.
8. To determine the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee.
9. To determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
10. To determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issue, merger, sale of division and others. In this regard the following shall be taken into consideration by the committee-
    (i) The number and the price of the ESOP shall be adjusted in a manner such that the total value of the ESOP remains the same after the corporate action.
    (ii) For this purpose global best practices in this area including the procedures followed by the derivatives markets in India and abroad shall be considered.
    (iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
11. To determine the grant, vest and exercise of option in case of employees who are on long leave.
12. To determine the procedure for cashless exercise of options.
13. To construe and interpret the plan and to establish, amend and revoke rules and regulations for its administration. The Compensation Committee may correct any defect, omission or inconsistency in the plan or option and/or vary/amend the terms to sdjust to the situation that may arise.
14. To approve the transfer of the shares in the name of the employee at the time of exercise of options by such employee under ESOP.
15. To review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or directors' compensation.
16. To obtain such outside or professional advice as it may consider necessary to carry out its duties.
17. To invite any employee or such document as it may deem fit for exercising of its functions.
18. To attend to such matters with respect to the remuneration of senior and other employees as may be submitted to it by the Managing Director.
19. To attend to any other responsibility as may be entrusted by the Board.

IPO Committee

We have also constituted an IPO Committee at their Board meeting held on September 19, 2007. The IPO Committee consists of V. Mohan, R. Vasudevan and Ameet Hariani. The IPO Committee is in charge of all the affairs in relation to our initial public offering.

Shareholding of our Directors in the Company

Except as provided hereunder, no other Directors hold any shares in the share capital of our Company.

In terms of our Articles of Association, the Directors are not required to hold any qualification shares. The table below sets forth the details of Equity Shares that our held by our Directors and directors of our Promoter companies

Sr. No.	Name	Number of Equity Shares	Pre-Issue Equity Share Capital	Post-Issue Equity Share Capital
1.	R. Vasudevan	8,454,400[(1)]	11.64	10.11
2	Lalitha Vasudevan	2,419,200[(2)]	3.33	2.89

[(1)] Includes 6,854,400 Equity Shares jointly held with Mrs. Lalitha Vasudevan
[(2)] Equity Shares jointly held with Mr. R. Vasudevan

There are no outstanding vested options granted to our Directors.

Changes in our Board of Directors during the last three years

Name	Date of Appointment	Date of Change/ Cessation	Reason
R. Kannan	September 19, 2007	-	Appointed as Director
Ameet Hariani	September 19, 2007	-	Appointed as Director
V. Mohan	March 6, 2007	-	Appointed as Director
N.R. Moorthy	-	February 17, 2007	Resigned
R. Kannan	-	February 17, 2007	Resigned
Amar Lulla	February 17, 2007	-	Appointed as Director
K.G. Krishnamurthy	June 21, 2006	-	Appointed as Director

Managerial Organisation Structure

The Company's management organisation structure is given below:

Key Managerial Personnel of our Company

For a brief biography of R. Vasudevan, Managing Director please see the section tilted "Our Management – Brief Biographies of our Directors" on page 121. The biographies of our other key managerial personnel are set forth below:

Chandresh V. Shah, aged 46 years, joined us on October 1, 2000. He holds a bachelor's degree in civil engineering from the Regional Engineering College, Trichy. Prior to joining us, he was working with Alcon Builders Private Limited. He has over 20 years of experience of which 18 years of experience is in the construction industry. Presently, he is charge of the development, design and tendering activities of our Company. The remuneration paid to him in fiscal year 2007 was approximately Rs. 3.44 million.

Kumar Krishnan, aged 50 years, joined us on January 4, 1995. He holds a bachelor's degree in civil engineering from the Mumbai University. Prior to joining us, he was working with Mansoor Associates, Mumbai. He has over 27 years of experience of which in the 13 years of experience is in the construction industry. He is responsible for the execution and construction of various projects in our Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 3.30 million.

Shiv Prakash Nair, aged 42 years, joined us on January 2, 2006. He holds a bachelor's degree in commerce from the Calicut University. He also holds a diploma in business management from the Pitman Institute of Management, Kerala. Prior to joining us, he was working with Conamore Resorts Private Limited. He has over 23 years of experience of which 19 years of experience is in the construction industry. He is responsible for the management of legal affairs of the Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 2.99 million.

D. Santhanam, aged 45 years, joined us on January 9, 1989. He holds a bachelor's degree in commerce from the Madras University and is an associate member of the Institute of Chartered Accountants of India. Prior to joining us, he had worked various organizations, including the Life Insurance Corporation of India. He has over 24 years of experience of which 19 years of experience is in the construction industry. He is in charge of the taxation and finance activities of the Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 2.40 million.

M. Krishnamurthi, aged 47 years, joined us on July 19, 2005. He holds a bachelor's degree in commerce from the Madras University. He is an associate member of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He also holds a bachelor's degree in General Laws and an associate of the Chartered Institute of Management Accountants (London). He has 23 years of experience in industries such as construction, hospitality, bio- technology industries of which over 2 years is in the construction industry. Prior to joining us, he was working with Apollo Hospitals, Colombo. He is responsible for the management of corporate affairs of our Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 1.18 million.

Prashant Padgaonkar, aged 50 years, joined us on October 17, 1988. He holds a bachelor's degree in civil engineering from the Victoria Jubilee Technical Institute, Mumbai. Prior to joining us, he was working with Hindustan Ciba – Geigy Limited. He has over 28 years of experience of which 19 years of experience is in the construction industry. He is responsible for the execution and construction of various projects in our Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 2.40 million.

Nitin Khare, aged 48 years, joined us on December 10, 2003. He holds a bachelor's degree in civil engineering from Birla Institute of Technology and Science, Pilani. Prior to joining us, he was working with SEMCO Limited, Pune. He is in charge of the projects and organizational development activities of our Company. He has over 18 years of experience in the foundry and castings manufacturing plant of which eight years of experience is in the construction industry. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 1.60 million.

Munaf Badshah, aged 44 years, joined us on May 22, 1989. He holds a bachelor's degree in commerce from the Mumbai University. Prior to joining us, he was working with Fluid Controls Private Limited. He is in charge of the management information systems of our Company. He has over 23 years of experience of which 17 years of experience is in the construction industry. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 1.46 million.

Sudhakar Shetty, aged 54 years, joined us on January 24, 1989. He holds a bachelor's degree in commerce from the Mysore University. Prior to joining us, he was working with Blue Steel Engineers Private Limited, Mumbai. He has over 26 years of experience of which 18 years of experience is in the construction industry. He is responsible for managing the day to day accounting operations of the Company. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 1.15 million.

Tukaram Jagadale, aged 40 years, joined us on January 1, 1990. He holds a diploma in civil engineering from the Veer Jijamata Technical Institute, Mumbai. Prior to joining us, he was working with Shapoorji Pallonji & Co Limited, Mumbai. He is responsible for the execution and construction of various projects in our Company. He has over 24 years of experience in the construction industry. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 1.36 million.

Jairam Patoli, aged 43 years, joined us on December 16, 1988. He holds a diploma in civil engineering from the Government Polytechnic, Mumbai. Prior to joining us, he was working with Cipla Limited, Mumbai. He is responsible for procurement activities in our Company. He has over 25 years of experience of which over 18 years of experience is in the construction industry. The remuneration paid to him for the fiscal year 2007 was approximately Rs. 0.88 million.

Virendra Jain, aged 34 years, joined us on June 1, 2007. He holds a bachelor's degree in architecture from the Academy of Architecture, Mumbai. He also holds a master's degree in facilities management from the Pratt Institute, New York. Prior to joining us, he was working with Thornton & Tomaseti Group Inc, New York. He was awarded the Pratt Circle Award and Certificate of Excellence Award in 2003 by the Pratt Institute, New York. He was also given a Certificate of Appreciation from Mayor Bloomberg, New York for September 11, 2002 rehabilitation works. He has over 12 years of experience in the construction industry. He is responsible for designing of our hotel projects.

S. Raman, aged 42 years, joined our Company on December 16, 2006. He holds a diploma in civil engineering from the Nagpur University. Prior to joining our Company, he was working with UP Townships Private Limited. He has over 22 years of experience in the construction industry. He is responsible for the execution and construction of various projects in our Company. The remuneration paid to him for part of the fiscal year 2007 was approximately Rs. 0.39 million.

Santosh Sunderrajan, aged 31 years, joined us on October 1, 2007. He holds a bachelors degree in civil engineering form the National Institute of Singapore, Masters Degree in Financie from the University of London and a doctorate in structural design from the National Institute of Singapore. Prior to joining us, he was working with Buro Engineers Singapore Pte Limited. He has over ten years of experience in the construction industry. He is responsible for all our quality control activities.

Karunakar Panda, aged 42 years, joined us on August 24, 2007. He holds a bachelors degree in arts from Utkal University in Bhubaneswar and a Masters in business administration in Human Resources in Indira Gandhi Open University. Prior to joining us, he was working with Sumi Motherson Infotech and Designs Limited. He has over 17 years of experience in the construction, information technology, pharma and chemicals of which over two years is in the construction industry. He is responsible for the human resource management, recruitment, performance management and training in our Company.

All our key managerial personnel are permanent employees of our Company and none of our Directors and our key managerial personnel are related to each other.

Shareholding of the Key Managerial Personnel

None of the key managerial personnel hold Equity Shares of our Company.

Bonus or profit sharing plan of the Key Managerial Personnel

As on the date of filing this Draft Red Herring Prospectus, we do not have a bonus or profit sharing plan for our Key Managerial Personnel.

Interest of Key Managerial Personnel

Our key managerial personnel do not have any interest in us other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses

incurred by them during the ordinary course of business and to the extent of Equity Shares/stock options held by them in the Company, if any. Certain of our key managerial personnel are also directors in certain of our Promoter Group Entities and Other Development Entities. Further, some of our key managerial personnel are also appointed as trustees.

None of our Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

On October 23, 2007 our shareholders approved our ESOP 2007 whereunder the employees as specified in the ESOP 2007, shall be granted options for our Equity Shares. For further details, please refer section titled "Capital Structure – Notes to Capital Structure" on page 18.

Changes in the Key Managerial Personnel

The changes in the key managerial personnel in the last three years are as follows:

Name of the Key Managerial Person	Date of Change	Reason for change
Santosh Sunderajan	October 1, 2007	Appointed
Karunakar Panda	August 24, 20007	Appointed
Virendra Jain	June 1, 2007	Appointed
S. Raman	December 16, 2006	Appointed
Virendra Jain	July 24, 2006	Appointed
Shiv Prakash Nair	January 1, 2006	Appointed
M. Krishnamurthi	July 19, 2005	Appointed

Other than the above changes, there have been no changes to the Key Managerial Personnel of the Company that are not in the normal course of employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters are R. Vasudevan, Lalitha Vasudevan, N.R. Moorthy, Thangam Moorthy, Amar Lulla, Vatsalya Enterprises Private Limited, Premratan Exports Private Limited and Golden Temple Pharma Private Limited.

Our Individual Promoters

R. Vasudevan

Driving license No.: MH 12 20040509412

Passport No.: Z 1576939

PAN: AANPR6769E

He does not have a Voter's identity card.

For further details on R. Vasudevan, our Managing Director see 'Our Management - Brief Biographies of our Directors' on page 121.

Lalitha Vasudevan;

She does not have a Driving license.

Passport No.: A5354244

PAN: ABZPV6233C

She does not have a Voter's identity card. .

Lalitha Vasudevan, aged 49 years, is our Promoter. She holds a bachelor's degree in commerce from the Nagpur University. She has in the past been a director in Vatsalya Enterprises Private Limited. She does not have any significant experience in business.

N. R. Moorthy

He does not have a driving license.

Passport No.: F6966444

PAN: ACAPN 9781B

He does not have a Voter's identity card.

N. R. Moorthy, aged 84 years, is our Promoter. He holds a bachelor's degree in commerce from Bombay University and is a fellow member of the Institute of Company Secretaries of India. He is also a fellow member of the Institute of Bookkeepers (London), a member of the London Chambers of Commerce (London), an associate of the Institute of Business Management and holds a Diploma in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. He was a member of the Bombay Company Law Committee and Indian Merchant Chambers and presently is a member of the Company Law Sub-committee of MCCIA, Pune. He has over 66 years of experience in the field of company law and other laws and finance.

Thangam Moorthy

She does not have a driving license.

Passport No.: F6442016

PAN: AGVPR9928B

She does not have a voter's identity card.

Thangam Moorthy, aged 75 years is our Promoter. She does not have any past experience in business.

Amar Lulla.

Driving license No. 589587

Passport No.: P7773539

PAN: AAA PL 5608 F

He does not have a voter's identity card.

For further details on Amar Lulla, see 'Our Management - Brief Biographies of our Directors' on page 121.

We confirm that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Individual Promoters have been submitted to the BSE and NSE at the time of filing this Draft Red Herring Prospectus with them.

Our Corporate Promoters

Vatsalya Enterprises Private Limited

Vatsalya Enterprises Private Limited was incorporated on October 22, 1992 as a private limited company. Its registered office is situated at B 124, Vardhman Complex, Fitwell Compound, LBS Marg, Vikhroli (W), Mumbai 400 083. The company is engaged in the business of providing brokerage and other services.

It is promoted by Lalitha Vasudevan and R. Vasudevan and its shares are not listed on any stock exchange. It has also not been declared as a wilfull defaulter. The changes in the shareholding in the last six months are as follows:

Changes in the shareholding pattern

Date of transfer	Name of transferor	Name of transferee	Number of shares
June 8, 2007	Venkateshwara Bhanu (jointly held)	Lalitha Vasudevan	1
July 10, 2007	N.R. Moorthy	R. Vasudevan	1,000
July 10, 2007	N.R. Moorthy	R. Vasudevan	10,000

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Vatsalya Enterprises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	R. Vasudevan	11,000	91.51
2.	Lalitha Vasudevan	1,021	8.49
	Total	**12,021**	**100.00**

Directors as of October 31, 2007

The board of directors of Vatsalya Enterprises Private Limited are D. Santhanam, Shiv Prakash Nair and Lalitha Vasudevan.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.12	0.12	0.12
Reserves and Surplus*	34.61	34.20	23.38
Sales and Other income	1.49	13.89	2.45
Profit/(Loss) After Tax	0.57	10.83	0.79
Earning per share** (Rs.)	47.66	901.14	65.36
Net Asset Value/Book value per share (Rs.)	2,889.40	2,854.92	1,954.95

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Premratan Exports Private Limited

Premratan Exports Private Limited was incorporated on February 17, 1992 as a private limited company and is engaged in trading, services and investment activities. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

Its promoters are A. P. Raman, Sonal Lulla and Geeta Lulla and its shares are not listed on any stock exchange. The shareholding in the company was acquired by Saga Chemicals Private Limited in the year 1994. The company was a subsidiary of Saga Chemicals Private Limited and as on August 20, 2007 its shareholding was acquired by Geeta Lulla, Sonal Lulla and Anisha Lulla.

The company has not been declared as a wilfull defaulter and has not made any public or rights issue in the preceeding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Premratan Exports Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1	Geeta Lulla	7,600	76.00
2	Sonal Lulla	1,200	12.00
3	Anisha Lulla	1,200	12.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Premratan Exports Private Limited are A. P. Raman, Sonal Lulla and Geeta Lulla.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	140.72	126.89	116.54
Sales and Other income	13.83	10.41	18.21
Profit/(Loss) After Tax	13.83	10.34	17.81
Earning per share** (Rs.)	13,831.13	10,343.12	17,808.29
Net Asset Value/Book value per share (Rs.)	140,817.85	126,986.72	116,640.25

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Golden Temple Pharma Private Limited.

Golden Temple Pharma Private Limited was incorporated on September 20, 2006, as a private limited company and is engaged in the pharmaceuticals business. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

Its promoters are Amar Lulla and Geeta Lulla and its shares are not listed on any stock exchange.

The company has not made any public or right issue and there is no change in capital structure of the company during last 6 months. Also, it has not become a sick company under the meaning of SICA and it is not under winding up. It has also not been declared as a wilfull defaulter.

Changes in the Board of Directors

Date	Name of director	Reasons
May 2, 2007	Rupesh Shah	Resignation
May 2, 2007	Rejendra Apandkar	Resignation
May 2, 2007	Amar Lulla	Appointment
May 2, 2007	Geetha Lulla	Appointment

Changes in the shareholding pattern

Date of transfer	Name of transferor	Name of transferee	Number of shares
May 2, 2007	Rupesh Shah	Amar Lulla	5,000
May 2, 2007	Rejendra Apandkar	Geetha Lulla	5,000

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Golden Temple Pharma Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Amar Lulla	8,300	83.00
2.	Geeta Lulla	1,700	17.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Golden Temple Pharma Private Limited are Amar Lulla and Geeta Lulla.

Financial Performance

The company has not completed a financial year.

We confirm that the Permanent Account Numbers, Bank Account Numbers, Company Registration Numbers and addresses of the Registrar of Companies where these companies are registered, of our Corporate Promoters have been submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Promoter Group

Relatives of the Promoters that form part of the Promoter Group under Clause 6.8.3.2 of the SEBI Guidelines

Promoter	Name of the Relative	Relationship
R. Vasudevan	Lalitha Vasudevan	Wife
	N.R. Moorthy	Father
	Thangam Moorthy	Mother
	Siddharth Vasudevan	Son
	Sowmya Vasudevan	Daughter
	Jayalakshmi	Wife's Mother
	Lalitha Sunderarajan	Sister
	G. Sunderam	Wife's Brother

Promoter	Name of the Relative	Relationship
	G. Venkatraman	Wife's Brother
Lalitha Vasudevan	R. Vasudevan	Husband
	Jayalakshmi	Mother
	Siddharth Vasudevan	Son
	Sowmya Vasudevan	Daughter
	N.R. Moorthy	Husband's Father
	Thangam Moorthy	Husband's Mother
	G. Sunderam	Brother
	G. Venkatraman	Brother
	Lalitha Sunderarajan	Husband's sister
N. R. Moorthy	Thangam Moorthy	Wife
	R.Vasudevan	Son
	Lalitha Sunderarajan	Daughter
	N. Muthuswami	Brother
	R. Tirupurasundari	Sister
	Chandrashekhar	Wife's Brother
Thangam Moorthy	N.R. Moorthy	Husband
	R. Vasudevan	Son
	Lalitha Sunderarajan	Daughter
	Chandrashekhar	Brother
	N. Muthuswami	Husband's Brother
	R. Tirupurasundari	Husband's sister
Amar Lulla	Geeta Lula	Wife
	Sonal Lulla	Daughther
	Anisha Kanjilal	Daughter
	Gurunath Narayan Hemady	Wife's Father
	Kamala Hemady	Wife's Mother
	Suresh Lulla	Brother
	Rani Wadhwani	Sister
	Chandrakant G. Hemady	Wife's Brother
	Kumar G. Hemady	Wife's Brother
	Mohan G Hemady	Wife's Brother
	Ajit G. Hemady	Wife's Brother

Entities forming part of our Promoter Group under the SEBI Guidelines

I. Corporate entities

Bell Flower Premises Private Limited

Bell Flower Premises Private Limited was incorporated on May 28, 1996 as a private limited company and is engaged in the real estate and investment activities. Its registered office is situated at B 124, Vardhman Complex, Fitwell Compound, LBS Marg, Vikhroli (W), Mumbai 400 083.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Bell Flower Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Vatsalya Enterprises Private Limited*	10,000	100.00
	Total	**10,000**	**100.00**

* Includes ten equity shares held by N.R. Moorthy as a nominee of Vatsalya Enterprises Private Limited

Directors as of October 31, 2007

The board of directors of Bell Flower Premises Private Limited are D. Santhanam and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	20.25	19.69	18.88
Sales and Other income	0.68	0.64	0.97
Profit/(Loss) After Tax	0.45	0.42	0.90
Earning per share** (Rs.)	45.07	41.91	89.88
Net Asset Value/Book value per share (Rs.)	2,034.57	1,979.49	1,897.89

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Conamore Resorts Private Limited

Conamore Resorts Private Limited was incorporated on May 26, 1988 as a private limited company and is engaged in the business of operation of hotels and execution of construction contracts. Its registered office is situated at 201, Phoenix Opposite Residency Club, Bund Garden Road Pune 411 001

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Conamore Resorts Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Saga Chemicals Private Limited	4,320	16.00
2.	Vatsalya Enterprises Private Limited	4,320	16.00
3.	Alps Remedies Private Limited	4,320	16.00
4.	Hamsons Laboratories Private Limited	4,320	16.00
5.	Bell Flower Premises Private Limited	2,430	9.00
6.	Shreeridhi Chemicals Private Limited	2,430	9.00
7.	Premratan Exports Private Limited	2,430	9.00
8.	M N Rajkumar Garments Private Limited	2,430	9.00
	Total	**27,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Conamore Resorts Private Limited are Shiv Prakash Nair and Chandresh V. Shah.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	2.70	2.70	2.70
Reserves and Surplus*	(0.16)	(8.23)	(8.53)
Sales and Other income	60.99	56.04	153.16
Profit/(Loss) After Tax	8.03	(0.78)	2.20
Earning per share** (Rs.)	297.47	(28.93)	81.37
Net Asset Value/Book value per share (Rs.)	93.90	(204.81)	(215.89)

* *Excluding revaluation reserves*
** *Face value of Rs. 100 each*

Flora Premises Private Limited

Flora Premises Private Limited was incorporated on July 14, 2005 as a private limited company and is engaged in the investment in properties and real estate services. Its registered office is situated at Shubham Plot No. 2, Sector No. V, Shri Nagar, Thane Mumbai 400 604.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Flora Premises Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Siddharth Vasudevan	5,000	50.00
2.	Lalitha Vasudevan	5,000	50.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Flora Premises Private Limited are M. Krishnamurthi and Sudhakar Shetty.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended	
	March 31, 2007	March 31, 2006
Equity Share Capital	0.10	0.10
Reserves and Surplus*	5.54	(2.11)
Sales and Other income	15.21	0.26
Profit/(Loss) After Tax	7.64	(2.11)
Earning per share** (Rs.)	764. 14	(210.45)
Net Asset Value/Book value per share (Rs.)	564. 86	(201.80)

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Golden Dwellings Private Limited

Golden Dwellings Private Limited was incorporated on September 9, 2002 as a private limited company and is engaged in the real estate business. Its registered office is situated at 301, Phoenix Opposite Residency Club, Bund Garden Road, Pune 411 001

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Golden Dwellings Private Limited is as follows

Type A equity shares

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Hamcon Engineers Private Limited	5,000	50.00
2.	Vatsalya Enterprises Private Limited	5,000	50.00
	Total	**10,000**	**100.00**

Type B equity shares

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Alps Remedies Private Limited	1,250	12.50
2.	M. N. Rajkumar Garments Private Limited	1,250	12.50
3.	Hamson Laboratories Private Limited	1,250	12.50
4.	Shreeriddhi Chemicals Private Limited	1,250	12.50
5.	Saga Chemicals Private Limited	1,250	12.50
6.	Premratan Exports Private Limited	1,250	12.50
7.	Vatsalya Enterprises Private Limited	1,250	12.50
8.	Bell Flower Premises Private Limited	1,250	12.50
	Total	**10,000**	**100.00**

Type C equity shares

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Alps Remedies Private Limited	1,250	12.50
2.	M. N. Rajkumar Garments Private Limited	1,250	12.50
3.	Hamson Laboratories Private Limited	1,250	12.50
4.	Shreeriddhi Chemicals Private Limited	1,250	12.50
5.	Saga Chemicals Private Limited	1,250	12.50
6.	Premratan Exports Private Limited	1,250	12.50
7.	Vatsalya Enterprises Private Limited	1,250	12.50
8.	Bell Flower Premises Private Limited	1,250	12.50
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Golden Dwellings Private Limited are D. Santhanam and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.30	0.30	0.30
Reserves and Surplus*	0.91	0.55	0.25
Sales and Other income	3.33	3.23	3.18
Profit/(Loss) After Tax	0.36	0.30	0.24
Earning per share** (Rs.)	12.09	9.95	8.15
Net Asset Value/Book value per share (Rs.)	40.27	28.18	18.22

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Goldfield Habitat Private Limited

Goldfield Habitat Private Limited was incorporated on May 27, 2002 as a private limited company and is engaged in the development and operations of malls and multiplexes. Its registered office is situated at 15/16, Hazari Baug, LBS Marg, Vikhroli (W), Mumbai 400 083.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Goldfield Habitat Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Rajan H Khinvasara	2,500	25.00
2.	H.U. Khinvasara (HUF)	2,500	25.00
3.	Lalitha Vasudevan	2,500	25.00
4.	Smita Xerxes Rao	2,500	25.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Goldfield Habitat Private Limited are Rajan Khinvasara and Shiv Prakash Nair.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	24.72	8.52	(0.06)
Sales and Other income	16.28	8.63	0.05
Profit/(Loss) After Tax	16.21	8.56	0.002
Earning per share** (Rs.)	1,620.48	856.08	(0.18)
Net Asset Value/Book value per share (Rs.)	2,482.42	861.94	4.07

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Hamcon Engineers Private Limited

Hamcon Engineers Private Limited was incorporated on May 26, 1988 as a private limited company and is engaged in investment activities. Its registered office is situated at 15/16, Hazari Baug, LBS Marg, Vikhroli (W), Mumbai 400 083.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Hamcon Engineers Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Alps Remedies Private Limited	810	16.07
2.	M N Rajkumar Garments Private Limited	450	8.93
3.	Saga Chemicals Private Limited	810	16.07
4.	Premratan Exports Private Limited	450	8.93
5.	Hamsons Laboratories Private Limited	810	16.07
6.	Shreeridhi Chemicals Private Limited	450	8.93
7.	Vatsalya Enterprises Private Limited	810	16.07
8.	Bell Flower Premises Private Limited	450	8.93
	Total	**5,040**	**100.00**

Directors as of October 31, 2007

The board of directors of Hamcon Engineers Private Limited are D. Santhanam, Sudhakar Shetty and A.P Raman.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.50	0.50	0.50
Reserves and Surplus*	17.89	16.26	11.34
Sales and Other income	2.44	6.06	4.94
Profit/(Loss) After Tax	1.62	4.93	4.57
Earning per share** (Rs.)	322.02	978.81	907.67
Net Asset Value/Book value per share (Rs.)	3,648.97	3,327.10	2,350.45

** Excluding revaluation reserves*
*** Face value of Rs. 100 each*

Vastech Consultants Private Limited

Vastech Consultants Private Limited was incorporated on October 7, 2003 as a private limited company and is engaged in the business of providing structural consultancy services. Its registered office is situated at 301, Phoenix, Bund Garden Road, Opposite Residency Club, Pune 11 001.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Vastech Consultants Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Santosh Sundararajan	2,500	25.00
2.	Santosh Sundararajan (HUF)	2,500	25.00
3.	Lalitha Vasudevan	2,500	25.00
4.	Siddharth Vasudevan	2,500	25.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Vastech Consultants Private Limited are Santosh Sundararajan, D. Santhanam and M. Krishnamurthi.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	8.46	1.84	0.20
Sales and Other income	13.33	4.31	1.80
Profit/(Loss) After Tax	6.61	1.64	0.25
Earning per share** (Rs.)	661.34	164.08	25.36
Net Asset Value/Book value per share (Rs.)	855.77	194.39	30.32

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Stresstech Engineers Private Limited

Stresstech Engineers Private Limited was incorporated on January 5, 2005 as a private limited company and is engaged in the business of engineering, providing consultancy, decorators and architects. Its registered office is situated at 201, Phoenix, Bund Garden Road, Opp. Residency Club, Pune 411 001

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Stresstech Engineers Private Limited is as follows

S. No.	Shareholder	Number of shares	Percentage
1.	Vastech Consultants Private Limited	10,000	50.00
2.	Presscrete Engineering (India) Private Limited	10,000	50.00
	TOTAL	20,000	100.00

Directors as of October 31, 2007

The board of directors of Stresstech Engineers Private Limited are Santosh Sundararajan, Khoo Boo Tat, Shilpa Sivaram and Low Poh Heng.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2007	March 31, 2006	March 31, 2005
Equity Capital (par value Rs. 10)	0.20	0.20	0.10
Reserves and surplus *	7.44	3.81	-
Sales and other income	44.82	20.76	-
Profit/Loss after tax	3.62	3.81	-
Earning per share** (Rs.)	181.11	198.91	-
Net Asset Value/Book value per share (Rs.)	381.82	200.71	10.00

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Dreamz Impex Private Limited

Dreamz Impex Private Limited was incorporated on May 25, 2005 as a private limited company and is engaged in the trading, services and investments business. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Dreamz Impex Private Limited as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Hamsons Laboratories Private Limited	5000	50.00
2.	Shreeriddhi Chemicals Private Limited	5000	50.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Dreamz Impex Private Limited are A. P. Raman and Shrinivas H.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended March 31, 2006
Equity Share Capital	0.10
Reserves and Surplus*	(0.02)
Sales and Other income	-
Profit/(Loss) After Tax	-
Earning per share** (Rs.)	-
Net Asset Value/Book value per share (Rs.)	9.98

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

DNA Pharma Private Limited

DNA Pharma Private Limited was incorporated on May 5, 2000 as a private limited company and is engaged in the pharmaceuticals business. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of DNA Pharma Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1.	Alps Remedies Private Limited	5000	50
2.	M. N. Rajkumar Garments Private Limited	5000	50
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of DNA Pharma Private Limited are A.P.Raman and Shrinivas H.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	-	-	-
Sales and Other income	-	-	-
Profit/(Loss) After Tax	-	-	-
Earning per share** (Rs.)	-	-	-
Net Asset Value/Book value per share (Rs.)	10	10	10

** Excluding revaluation reserves*
*** Face value of Rs. 10 each*

Orion Lifescience Private Limited

Orion Lifecience Private Limited was incorporated on April 11, 2000 as a private limited company and is engaged in the pharmaceuticals business. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Orion Lifescience Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1	Alps Remedies Private Limited	5,000	50.00
2	M. N. Rajkumar Garments Private Limited	5,000	50.00
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Orion Lifescience Private Limited are A. P. Raman and Shrinivas H.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	-	-	-
Sales and Other income	-	-	-
Profit/(Loss) After Tax	-	-	-
Earning per share** (Rs.)	-	-	-
Net Asset Value/Book value per share (Rs.)	10	10	10

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Medicreams India Private Limited

Medicreams India Private Limited was incorporated on May 15, 2000 as a private limited company and is engaged in the pharmaceuticals business. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

The company has not made any public or right issue in the preceding three years and there is no change in capital structure of the company during last 6 months. Also, it has not become a sick company under the meaning of SICA and it is not under winding up.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Medicreams India Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1	Hamsons Laboratories Private Limited	5000	50
2	Shreeriddhi Chemicals Private Limited	5000	50
	Total	**10,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Medicreams India Private Limited are A.P.Raman and Shrinivas H.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	0.10	0.10	0.10
Reserves and Surplus*	-	-	-
Sales and Other income	-	-	-
Profit/(Loss) After Tax	-	-	-
Earning per share** (Rs.)	-	-	-
Net Asset Value/Book value per share (Rs.)	10	10	10

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

Saga Chemicals Private Limited

Saga Chemicals Private Limited was incorporated on April 3, 1990 as a private limited company and is engaged in the business of trading, providing services and in investment activities. Its registered office is situated at 12, Gunbow Street, Fort, Mumbai 400 001.

The company has not made any public or right issue in the preceding three years. Also, it has not become a sick company under the meaning of SICA and it is not under winding up. The shares in the company held by Geeta Lulla, Sonal Lulla and Anisha Lulla were transferred to Premratan Exports Private Limited.

Shareholding as on October 31, 2007

The shareholding pattern of equity shares of Saga Chemicals Private Limited is as follows

S. No.	Name of the shareholder	No. of shares	Percentage
1	Premratan Exports Private Limited	376,200	99.00
2	Geeta Lulla (Nominee for Premratan Exports Private Limited)	3,800	1.00
	Total	**380,000**	**100.00**

Directors as of October 31, 2007

The board of directors of Saga Chemicals Private Limited are Geeta Lulla, A. P. Raman, Anisha Lulla and Sonal Lulla.

Financial Performance

(Rs. in million except per share data)

Particulars	For the year ended		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity Share Capital	3.80	3.80	3.80
Reserves and Surplus*	97.36	79.93	61.43
Sales and other income	17.76	18.45	20.18
Profit/(loss) after tax	17.43	18.43	19.73
Earning per share** (Rs.)	45.87	48.51	51.91
Net Asset Value/Book value per share (Rs.)	266.21	220.34	171.67

* *Excluding revaluation reserves*
** *Face value of Rs. 10 each*

II. Hindu Undivided Family

N R Moorthy HUF

The HUF was formed on April 26, 1995 and N R Moorthy is the karta of the HUF.

R Vasudevan HUF

The HUF was formed on March 22, 1995 and R. Vasudevan is the karta of the HUF.

Amar Lulla HUF

The HUF was formed on February 15, 1974 and Amar Lulla is the karta of the HUF.

III. Partnerships

Venus Ventures

Venus Ventures was formed pursuant to a deed of partnership dated July 27, 2006 between R. Vasudevan and Lalitha Vasudevan. Its principal office is located at 608/609, Nucleus, 1, Church Road, Pune 411 001. It is engaged in the business of real estate development and acquisition of land.

Profit and Loss Sharing Ratio as of October 31, 2007

Name of Partners	Profit & Loss Sharing Ratio (%)
R. Vasudevan	50.00
Lalitha Vasudevan	50.00
Total	**100.00**

Financial Information

(In Rs. million)

	Year Ended March 31
Particulars	**2007**
Capital	0.01
Sales and other Income	-
Profit	-

Interest of our Promoters

Our Promoters are interested in us to the extent that they have promoted our Company and their shareholding in us. Further, our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

Further, our Individual Promoters are also directors on the boards of or members of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by us, if any, to these Promoter Group entities. For further interest, of our Directors, see section 'Our Management - Interests of Directors' on page 123.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by us other than in the normal course of business.

Common Pursuits

Some of our Promoter Group entities have common pursuits and are involved in the construction and real estate sector. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 145.

Sick Company

None of the companies forming part of our Promoter Group have been declared sick in the past.

Disassociation by the Promoters in the last three years

Name of the Company	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
Uni World Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Advanced Remedies Private Limited	Promoter was a shareholder	Sale of stake	August 23, 2007
Drug Delivery Systems. (India) Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007

Name of the Company	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
Exind Trading Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
G M Partitions Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Goldencross Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Medimore Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Medic Remedies Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Healingcross Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Inhaled Technologies Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Intermed Labs Private Limited	Promoter was a shareholder	Sale of stake	August 13, 2007
Jupiter Remedies Private Limited	Promoter was a shareholder	Sale of stake	August 23, 2007
L'amar Exports Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Lancet Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Mediorals Laboratories Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Medispray Laboratories Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Meditab Specialities Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Medule Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Nebumed Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Okasa Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Okasa Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Oncocare India Private Limited.	Promoter was a shareholder	Sale of stake	September 24, 2007
One World Pharma Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Pharmasolve Specialities Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
QA Technical Services (India) Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Sitec Labs Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Good Earth Remedies Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Medworld Pharmaceuticals Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
Globus Health Care Private Limited	Promoter was a shareholder	Sale of stake	September 24, 2007
One Stop Shop Private Limited	Promoter was a shareholder	Sale of stake	October 1, 2007
Core Fitness Private Limited	Promoter was a shareholder	Sale of stake	February 22, 2005
Vastech Associates	Promoter was a partner	Retirement as partner	April 1, 2007

Companies Struck Off from the RoC

None of the Promoter Group Companies have made an application to the RoC for striking off their names.

Payment or Benefit to Promoters

Except as stated in "Related Party Transactions" on page 145, no amount or benefit has been paid or given to any Promoter within the two years preceding the date of filing of this Draft Red Herring Prospectus and no such amount or benefit is intended to be paid.

Other Confirmations

Our Promoters have further confirmed that they have not been declared as wilful defaulters by the Reserve Bank of India or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

RELATED PARTY TRANSACTIONS

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Period ended 30-Jun-07	FOR THE YEAR ENDED MARCH 31, 2007	2006
Nature of Relationship	Name of Party	Name of Party	Name of Party
Joint Venture	*Just Home (I) Pvt. Ltd.*	*Just Home (I) Pvt. Ltd.*	*Phoenix Ventures*
	Marigold Premises Pvt. Ltd.	*Marigold Premises Pvt. Ltd.*	*Zenith Ventures*
	Phoenix Ventures	*Phoenix Ventures*	*Zircon Ventures*
	Viorica Properties Pvt Ltd	*Vascon Hadapsar Ventures*	
	Weikfeilds ITCITI	*Viorica Properties Pvt Ltd*	
	Zenith Ventures	*Weikfeilds ITCITI*	
	Zircon Ventures	*Zenith Ventures*	
		Zircon Ventures	
Key Management Personnel	*Mr. R. Vasudevan*	*Mr.R.Vasudevan*	*Mr.R.Vasudevan*
Relatives of Key Management Personnel	*Lalitha Sundarrajan*	*Lalitha Sundarrajan*	*Lalitha Vasudevan*
	Lalitha Vasudevan	*Lalitha Vasudevan*	*N. R. Moorthy*
	N. R. Moorthy	*N. R. Moorthy*	*Thangam Moorthy*
	Siddarth Vasudevan	*Siddarth Vasudevan*	
	Thangam Moorthy	*Thangam Moorthy*	
Associates	*Ajanta Enterprises*	*Ajanta Enterprises*	*Marigold Premises Pvt. Ltd.*
	Angelica Properties Pvt Ltd	*Angelica Properties Pvt Ltd*	*Ajanta Enterprises*
	Mumbai Estate Pvt Ltd	*Mumbai Estate Pvt Ltd*	*Marigold Construction*
	Syringa Properties Pvt Ltd	*Syringa Properties Pvt Ltd*	*H.U. Khinvsara*
Enterprise where key management	*Core Fitness Pvt Ltd*	*Core Fitness Pvt Ltd*	*Golden Dwellings P. Ltd*
personnel and their relatives exercise	*Flora Premises Pvt Ltd*	*Flora Premises Pvt Ltd*	*Vastech Associates*
significant influence	*Iris Properties Private Limited*	*Iris Propeties Private Limited*	*Vatsalya Enterprises (P) Ltd*
	One Stop Shop (I) Pvt Ltd	*One Stop Shop (I) Pvt Ltd*	*Novacare Drug Speacilities (P) Ltd*
	Vastech Associates	*Vastech Associates*	*Nagaon Resorts P. Ltd.*
	Vastech Consultants Pvt Ltd	*Vastech Consultants Pvt Ltd*	*IT Citi Infopark P. Ltd.*
			Vastech Consultants Pvt. Ltd.
			Iris Properties Pvt. Ltd.
			One Stop Shop (I) Pvt Ltd
			Golden Nest Developers Pvt. Ltd.
			Core Fitness Pvt. LTd.
Subsidiary	*Calypso Premises Pvt Ltd*	*Calypso Premises Pvt Ltd*	*Marvel Housing Pvt Ltd*
	Cosmos Premises Pvt Ltd	*Cosmos Premises Pvt Ltd*	*Clover Resorts Pvt. Ltd.*
	Floriana Properties Pvt Ltd	*Floriana Properties Pvt Ltd*	
	IT CITi Info Park Pvt Ltd	*IT CITi Info Park Pvt Ltd*	
	Marvel Housing Pvt Ltd	*Marvel Housing Pvt Ltd*	
	Rose Premises Pvt Ltd	*Rose Premises Pvt Ltd*	
	Vascon Dwellings Pvt Ltd	*Vascon Dwellings Pvt Ltd*	
	Windflower Premises Pvt Ltd	*Windflower Premises Pvt Ltd*	
	Vascon Pricol Infrastructure Ltd		

Details of Transactions with Related Parties and Details of Outstanding balances

PARTICULAR	Period ended	FOR THE YEAR ENDED MARCH 31,	
	30-Jun-07	2007	2006
Sales			
Joint Venture	10.55	(33.67)	107.88
Key Management Personel	-	-	-
Relatives of KMP	-	0.30	-
Associates	81.05	-	19.75
Establisment in which KMP Interested	-	-	25.67
Individuals & Entities having	-	-	-
Significant Control over the company	-	13.54	-
Purchases & Labour Charges	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	17.91	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	90.40	(5.28)
Rendering Of Services to the Company	-	-	-
Joint Venture	-	146.03	-
Key Management Personel	6.19	6.45	12.26
Relatives of KMP	0.21	0.96	0.77
Associates	-	-	-
Establisment in which KMP Interested	0.02	25.54	2.09
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Rental/Hire Charges Paid	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	0.21	2.00
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Rent Income	-	-	-
Joint Venture	-	1.36	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	-	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Purchase of Fixed Assets	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	-	52.56
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	(72.88)
Sale of Fixed Assets	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	0.76	0.61
Relatives of KMP	-	-	-
Associates	-	1,000.00	-
Establisment in which KMP Interested	-	0.44	4.92
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	4.50
Interest Paid	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-

PARTICULAR	Period ended	FOR THE YEAR ENDED MARCH 31,	
	30-Jun-07	2007	2006
Associates	-	-	-
Establisment in which KMP Interested	-	-	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	1.24	-
Interest Income	-	-	-
Joint Venture	1.65	2.13	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	0.01	0.14	-
Establisment in which KMP Interested	-	-	1.00
Individuals & Entities having	-	-	-
Significant Control over the company	0.40	0.51	-
Balances as on 31.03.2007 and 2006	-	-	-
Amount Due To Company	-	-	-
Joint Venture	228.73	327.72	20.69
Key Management Personel	-	0.45	-
Relatives of KMP	-	14.82	1.05
Associates	202.92	240.87	-
Establisment in which KMP Interested	18.01	15.38	15.35
Individuals & Entities having	-	-	-
Significant Control over the company	-	(26.54)	9.71
Amount Due From Company	-	-	-
Joint Venture	56.14	(121.80)	178.07
Key Management Personel	-	-	0.73
Relatives of KMP	-	-	-
Associates	-	-	31.32
Establisment in which KMP Interested	-	34.12	21.98
Individuals & Entities having	-	-	-
Significant Control over the company	-	169.65	50.33

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the 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. We do not have a stated dividend policy.

The dividends declared by us on the equity share capital in respect of the five fiscal years ended March 31, 2007 as per the audit financial statements of the Company are as given below:

(Rs. in million)

Particulars	Year ended March 31				
	2007	2006	2005	2004	2003
Dividend					
Equity Share Capital	354.82	301.60	9.60	9.60	9.60
Rate of dividend (%)	-	-	45.00	-	-
Amount of dividend	-	-	4.32	-	-
Tax on dividend	-	-	0.56	-	-

Note: The dividends declared include both interim and final dividends

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL STATEMENTS

UNCONSOLIDATED FINANCIAL INFORMATION OF VASCON ENGINEERS LIMITED

To
The Board of Directors,
Vascon Engineers Ltd
15/16, Hazari Baug,
LBS Marg,
Vikhroli,
Mumbai 400 083.

Dear Sirs,

1. We have examined the attached financial information of Vascon Engineers Ltd, as provided by the Board of Directors of the company, prepared in terms of the requirements of Paragraph B of 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 ('The Guidelines') issued by the Securities and Exchange Board of India('SEBI') on January 19, 2000 as amended to date (DIP Guidelines) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 9th May, 2007 in connection with the proposed issue of Equity shares of the Company.

2. This information has been extracted by the Management from the financial statements for the period ended June 30, 2007 and for the year ended March 31st, 2007, 2006, 2005, 2004 and 2003. Audit for the period ended June 30, 2007 and for the year ended March 30,2007 was conducted by us and for financial year ended March 31st, 2006, 2005, 2004, 2003 was conducted by undersigned in his individual capacity/ Proprietor of Kulin Mehta & Co (KMCO) while the present report is being signed as a partner in the firm

3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, SEBI Guidelines and terms of our engagement with you we further report that:

   (a) The Restated Summary Statement of Assets & Liabilities of the Company as at June 30th, 2007 and March 31st, 2007, 2006, 2005, 2004 and 2003 examined by me/us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to Accounts and Changes in Significant Accounting Policies (Refer Annexure).

   (b) The Restated Summary Statement of Profit or Loss of the Company for the year then ended, including for the period ended June 30, 2007 and for the year ended March 31st, 2007,2006, 2005, 2004 and 2003 examined by me/us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to Accounts and Changes in Significant Accounting Policies (Refer Annexure).

   (c) Based on above, we are of the opinion that the restated financial information have been made after incorporating:

      (i) Unconsolidated financial Statements of the Company has been restated with the retrospective effect to reflect the significant accounting policies being adopted by the Company as at June 30,2007 as stated in the Notes forming part of the Unconsolidated Financial Statements.

      (ii) Thre are no qualifications in the auditors reports during the reporting period which require any adjustments to the Unconsolidated Financial statements

      (iii) Adjustments for the material amounts in the respective financial years to which they relate.

(iv) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

(d) We have also examined the following other financial information setout in Annexure prepared by the management and approved by the Board of Directors relating to the Company for the period ended June 30, 2007 and for the year ended March 31st, 2007, 2006, 2005, 2004, 2003.

Annexure I	Statement of Dividend paid/proposed
Annexure II	Statement of Accounting Ratios
Annexure III	Statement of Capitalization as at 30th June, 2007
Annexure IV	Statement of Reserves & Surplus
Annexure V	Statement of Secured Loan
Annexure VI	Statement of Unsecured Loan
Annexure VII	Statement of Current Liabilities & Provisions
Annexure VIII	Statement of Fixed Assets
Annexure IX	Statement of Sundry Debtors
Annexure X	Statement of Loans and Advances
Annexure XI	Statement of Other Income
Annexure XII	Statement of Tax Shelter

In our opinion the financial information contained in Annexure I to XII of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes to Accounts (Refer Annexure) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with requirement of Paragraph B of Part II of Schedule II of the Act and the DIP Guidelines.

We have applied such procedures as we, in our opinion, considered appropriate for the purpose of audit of financial information in accordance with Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform our audit to obtain reasonable assurance as to whether the standalone financial information under examination are free of material misstatement

4. Our report is intended solely for the 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 Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Dated: September 19, 2007

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF RESTATED ASSETS AND LIABILITIES

PARTICULARS		As At	As At March 31,				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Fixed Assets							
Gross Block		319.09	314.12	243.57	180.96	144.97	125.71
Less: Accumulated Depreciation		93.46	86.24	69.40	57.53	45.38	35.71
Net Block		225.63	227.88	174.17	123.43	99.59	90.00
Less: Revaluation Reserve		-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve		225.63	227.88	174.17	123.43	99.59	90.00
Capital WIP including Capital Advances		46.50	3.24	0.55	1.34	0.16	-
Total	**(a)**	272.13	231.12	174.72	124.77	99.75	90.00
Intangible Assets	**(b)**	-	-	-	-	-	-
Investments	**(c)**	566.65	532.88	52.75	116.36	13.69	3.92
Current Assets, Loans and Advances							
Inventories		783.63	574.02	941.54	238.49	257.73	114.49
Sundry Debtors		1,479.32	1,557.08	550.98	397.22	146.61	206.01
Cash and Bank Balances		99.52	56.67	92.52	27.43	28.53	21.22
Other current Assets		241.89	123.38	81.29	85.37	70.62	44.57
Loans and Advances		1,892.49	1,583.02	556.48	416.85	318.91	267.19
Total	**(d)**	4,496.85	3,894.17	2,222.81	1,165.36	822.40	653.48
Total Assets [a+b+c+d]	**(e)**	5,335.63	4,658.17	2,450.28	1,406.49	935.84	747.40
Liabilities and Provisions							
Secured Loans		336.15	131.34	534.01	35.12	57.51	60.38
Unsecured Loans		831.71	465.47	635.31	479.88	214.47	138.72
Current Liabilities		1,291.42	1,286.33	567.13	400.78	322.43	308.44
Provisions		375.12	338.76	173.14	97.52	38.67	48.77
Deferred Tax Liability		17.33	5.86	10.03	11.71	10.61	9.77
TOTAL	**(f)**	2,851.73	2,227.76	1,919.62	1,025.01	643.69	566.08
Net Worth [e-f]		**2,483.90**	**2,430.41**	**530.66**	**381.48**	**292.15**	**181.32**
Net Worth Represented by :							
Share Capital		709.66	354.83	301.60	109.68	9.68	9.69
Reserves and Surplus		1,774.24	2,075.58	229.06	271.80	207.47	171.63
Share Application Money		-	-	-	-	75.00	-
Less: Revaluation Reserve		-	-	-	-	-	-
Reserves and Surplus (Net of Revaluation Reserve)		1,774.24	2,075.58	229.06	271.80	282.47	171.63
Less: Miscellaneous Expenditure		-	-	-	-	-	-
(to the extent not written off or adjusted)							
NET WORTH		**2,483.90**	**2,430.41**	**530.66**	**381.48**	**292.15**	**181.32**

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Managing Director

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF PROFIT AND LOSS

PARTICULARS	Period ended	For the year ended as on March 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Operating Income						
Sales						
Gross Sales (See Note III 4 of Schedule 1)	1,150.39	3,692.80	1,502.69	1,343.57	731.96	674.04
Less: Work Contract Tax / VAT Collected	(15.51)	(50.37)	(18.65)	(35.34)	(14.38)	(9.52)
Less: Service Tax Collected	(13.74)	(62.29)	(51.36)	-	-	-
Increase/ (Decrease) in Unbilled Revenue	118.51	44.08	6.58	6.82	26.56	(22.43)
Turnover (Net)	1,239.65	3,624.22	1,439.26	1,315.05	744.14	642.09
Other Operating Income						
Share of Profit From a Partnership Firm/AOP	19.22	129.90	(3.25)	-	1.59	(0.05)
Management Fees	-	2.53	-	-	-	-
Rent/Compensation	8.10	21.40	11.91	4.52	1.83	1.92
	27.32	153.83	8.66	4.52	3.42	1.87
Total Operating Income	**1,266.97**	**3,778.05**	**1,447.92**	**1,319.57**	**747.56**	**643.96**
Other Income	16.48	42.69	43.81	9.69	10.18	13.07
TOTAL INCOME	**1,283.45**	**3,820.74**	**1,491.73**	**1,329.26**	**757.74**	**657.03**
Cost of Sales	1,022.05	2,837.60	1,064.93	1,071.93	607.59	526.05
Employees Cost	52.10	108.02	74.62	47.15	28.60	18.03
Operating and Administrative Cost	55.34	125.75	61.48	45.36	31.16	24.35
Finance Cost	26.03	39.26	30.67	27.04	23.99	27.98
Depreciation	7.22	21.76	18.90	13.04	9.80	8.03
TOTAL EXPENDITURE	**1,162.74**	**3,132.39**	**1,250.60**	**1,204.52**	**701.14**	**604.44**
Profit Before Tax	120.71	688.35	241.13	124.74	56.60	52.59
Less: Provision For						
Current Tax	37.64	192.50	88.59	44.01	17.05	19.50
Deferred Tax	1.44	5.57	(2.07)	1.51	1.09	(0.08)
Fringe Benefit Tax	0.33	1.38	1.10	-	-	-
	39.41	199.45	87.62	45.52	18.14	19.42
Net Profit Before Adjustments	81.30	488.90	153.51	79.22	38.46	33.17
ADJUSTMENTS:						
Adjustments on account of Restatements	(17.75)	15.91	3.88	2.23	(3.84)	(2.85)
Current Tax Adjustments	-	0.67	(0.14)	(1.25)	0.97	1.21
Deferred Tax Adjustments	(10.05)	9.74	(0.39)	0.42	0.25	0.12
Total of Adjustments	(27.80)	26.32	3.35	1.40	(2.62)	(1.52)
Net Profit As Restated	53.50	515.22	156.86	80.62	35.84	31.65
Profit or (Loss) at the beginning of the year	696.84	181.62	241.25	184.95	149.12	117.48
Capitalisation of Profits	(317.27)	-	(192.00)	-	-	-
Balance Available for Appropriation As Restated	433.07	696.84	206.11	265.57	184.96	149.13
APPROPRIATIONS						
As per Audited Accounts						
Transfer to General Reserve	-	-	16.90	8.00	-	-
Dividend on Preference - Paid/Provided	-	-	10.66	6.02	-	-
Dividend on Equity Paid/Provided	-	-	-	4.32	-	-
Tax on Dividend on Preference Shares	-	-	1.20	0.79	-	-
Tax on Dividend on Equity Shares	-	-	-	0.56	-	-

PARTICULARS	Period ended	For the year ended as on March 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Adjustment on Restatement	-	-	-	-	-	-
Dividend on Preference Shares	-	-	(4.00)	3.99	0.01	0.01
Tax on Dividend on Preference Shares	-	-	(0.27)	0.64	-	-
Total Appropriation As Restated	-	-	24.49	24.32	0.01	0.01
BALANCE CARRIED FORWARDS AS RESTATED	**433.07**	**696.84**	**181.62**	**241.25**	**184.95**	**149.12**

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As per our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors

of Vascon Engineers Limited

Managing Director

CA Kulin V. Mehta
Partner
Membership No. 038440
Mumbai Dated

Director
Company Secretary
Mumbai Dated

Director

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF CASH FLOW

PARTICULARS	As At	As At March 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Cash Flow from Operating Activities						
Net Profit Before Tax and Prior Year Adjustments	**102.96**	**704.26**	**245.01**	**126.97**	**52.76**	**49.74**
Adjustments for :						
Depreciation	7.22	21.62	16.68	12.94	10.34	8.33
Loss on Sale of Assets	-	-	-	-	0.06	0.15
(Profit) on Sale of Assets/Investments	(0.13)	(21.84)	(28.55)	(2.01)	-	-
Deferred Expenses Written off	-	-	-	-	-	0.53
Write off/other adjustments	-	-	-	-	-	0.03
Interest income	(11.87)	(8.85)	(11.59)	(4.52)	(2.20)	(9.36)
Dividend Income	(3.34)	(7.98)	(0.57)	(0.44)	(6.00)	-
Interest expense	26.03	39.26	30.67	27.04	23.99	27.98
Provision for doubtful debts	4.47	2.40	-	-	-	-
Operating Profit before Working Capital changes	**125.34**	**728.87**	**251.65**	**159.98**	**78.95**	**77.40**
Movements in Working Capital						
Decrease/ (Increase) in Inventories	(209.61)	367.52	(703.05)	19.24	(143.24)	(103.20)
Decrease/ (Increase) in Sundry Debtors	73.29	(1,008.50)	(153.76)	(250.61)	59.41	(31.22)
Decrease/ (Increase) in Other Current Assets	(118.51)	(42.09)	4.08	(14.74)	(26.06)	23.28
Decrease/ (Increase) in Loans and Advances	(225.36)	(918.27)	(39.16)	(62.63)	(57.06)	62.38
Investments in Partnership Firm	-	-	(20.18)	(25.00)	-	-
Increase /(Decrease) in Trade Payables	3.47	729.56	166.36	78.36	14.00	132.01
Cash generated from Operations	**(351.38)**	**(142.91)**	**(494.06)**	**(95.40)**	**(74.00)**	**160.65**
Direct Taxes paid (net of refunds)	(85.61)	(144.91)	(71.64)	(34.69)	(20.54)	(20.39)
Cash Flow before Extraordinary Items	(436.99)	(287.82)	(565.70)	(130.09)	(94.54)	140.26
Less: Extraordinary Item	-	-	-	-	-	-
Net Cash from Operating Activities (A)	**(436.99)**	**(287.82)**	**(565.70)**	**(130.09)**	**(94.54)**	**140.26**
Cash Flow from Investing Activities						
Purchase of Fixed Assets	(48.24)	(103.21)	(67.87)	(38.99)	(20.33)	(14.79)
Disposal of Fixed Assets	-	46.52	4.33	1.76	0.18	1.50
Purchase of Investments	(153.96)	(482.28)	(2.35)	(79.72)	(9.77)	(73.80)
Disposal of Investments	121.82	2.68	111.60	3.33	-	70.20
Decrease/ (Increase) in Loans and Advances	-	(1.31)	(29.80)	(0.61)	(0.31)	(0.08)
Interest received	11.87	8.85	11.59	4.52	2.20	9.36
Dividend received	3.34	7.98	0.57	0.44	6.00	-
Net Cash from Investing Activities (B)	**(65.17)**	**(520.77)**	**28.07**	**(109.27)**	**(22.03)**	**(7.61)**
Cash Flow from Financing Activities						
Proceeds from issuances	-	1,384.50	100.00	-	-	-

PARTICULARS	As At 30-Jun-07	As At March 31, 2007	2006	2005	2004	2003
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
of Share Capital						
Redemption of Preference Capital	-	-	(100.08)	25.00	75.00	-
Availment (Repayment) of Long Term Borrowings	571.04	(572.50)	654.31	243.02	72.87	(98.37)
Interest paid	(26.03)	(39.26)	(30.67)	(27.05)	(23.99)	(27.98)
Dividends paid	-	-	(18.60)	(2.40)	-	-
Tax on Dividend paid	-	-	(2.24)	(0.31)	-	-
Net Cash from Financing Activities (C)	**545.01**	**772.74**	**602.72**	**238.26**	**123.88**	**(126.35)**
Net increase in Cash and Cash Equivalents (A+B+C)	42.85	(35.85)	65.09	(1.10)	7.31	6.30
Cash and Cash Equivalents at the beginning of the year	56.67	92.52	27.43	28.53	21.22	14.92
Cash and Cash Equivalents at the end of the year	**99.52**	**56.67**	**92.52**	**27.43**	**28.53**	**21.22**
Components of Cash and Cash Equivalents	**As At**		**As At March 31,**			
	30-Jun-07	**2007**	**2006**	**2005**	**2004**	**2003**
Cash on Hand	12.57	6.88	3.38	2.95	2.08	1.53
With Banks - on Current Accounts	70.31	39.73	84.34	15.80	11.04	13.22
- on Deposit Accounts	16.64	10.06	4.80	8.68	15.41	6.47
	99.52	**56.67**	**92.52**	**27.43**	**28.53**	**21.22**

Note: The above Cash Flow statement has been prepared under the 'Indirec Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountant of India

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - I STATEMENT OF DIVIDEND PAID / PROPOSED

Particulars	Face Value (Rs. Per Shares	For the period ended	For the year ended as on 31March				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Class of Shares							
Equity Share Capital	10	709.66	354.83	301.60	9.60	9.60	9.60
6% Redeemable Preference Share Capital	10	-	-	-	0.08	0.08	0.08
10% Redeemable Preference Share Capital	10	-	-	-	100.00	-	-
Dividend on Equity Shares							
- Rate					45%		
- Amount		-	-	-	4.32	-	-
Dividend on 6 % Redeemable Preference Shares							
- Rate		-		6%	6%	6%	6%
- Amount		-	-	0.003	0.005	0.005	0.005
Dividend on 10 % Redeemable Preference Share							
- Rate				10%	10%		
- Amount		-	-	6.66	10.00	-	-
Corporate Dividend Tax		-	-	0.93	1.42	-	-
Note:							
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report							

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary

Place: Mumbai
Date :

VASCON ENGINEERS LIMITED

ANNEXURE - II STATEMENT OF ACCOUNTING RATIO

Particulars	Ref.	Period ended	For the year ended as on 31March				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
EARNING PER SHARE							
Opening Number of Equity Shares		70,964,706	30,160,000	960,000	960,000	960,000	960,000
(after converting in Rs. 10 each)							
Closing Number of Equity Shares		70,964,706	35,482,353	30,160,000	960,000	960,000	960,000
(after converting in Rs. 10 each)							
Weighted Average Number of Equity Share (Basic)	(a)	70,964,706	69,583,325	53,635,068	40,320,000	40,320,000	40,320,000
(after converting in Rs. 10 each)							
Convertible Preference Shares		-	-	-	-	-	-
Weighted Average Number of Equity Share (Diluted)	(b)	70,964,706	69,583,325	53,635,068	40,320,000	40,320,000	40,320,000
(after converting in Rs. 10 each)							
Profit After Tax As Res	(c)	53.50	515.22	156.86	80.62	35.84	31.65
Less: Preference Dividend		-	-	6.66	10.01	0.01	0.01
Less: Dividend Tax		-	-	0.93	1.43	-	-
Profit Distributable to Equity Share Holders	(d)	53.50	515.22	149.27	69.18	35.83	31.64
Earnings Per Share (EPS) After Split of Shares							
EPS (In Rupees)-Basic (Refer Note 2 below)		**0.75**	**7.40**	**2.78**	**1.72**	**0.89**	**0.78**
EPS (In Rupees)-Diluted (Refer Note 2 below)		**0.75**	**7.40**	**2.78**	**1.72**	**0.89**	**0.78**
RETURN OF NET WORTH							
Profit After Tax	(a)	53.50	515.22	156.86	80.62	35.84	31.65
Net Worth	(b)	2,483.90	2,430.41	530.66	381.48	292.15	181.32
Return on Net Worth - %	(a)/(b)	**2.15%**	**21.20%**	**29.56%**	**21.13%**	**12.27%**	**17.46%**
NET ASSETS VALUE PER SHARE							
Total Assets	(a)	5,335.63	4,658.17	2,450.28	1,406.49	935.84	747.40
Total Liabilities including Preference Share Capital	(b)	2,851.73	2,227.76	1,919.62	1,125.09	643.77	9.77
Net Assets Value (a)-(b)	(c)	2,483.90	2,430.41	530.66	281.40	292.07	737.63
No. of Equity Shares (after converting in Rs.10 each)	(d)	70,964,706	35,482,353	30,160,000	960,000	960,000	960,000

Particulars	Ref.	Period ended	For the year ended as on 31March				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
Net Assets Value Per Equity Share (In Rupees)	(c)/(d)	**35.00**	**68.50**	**17.59**	**293.13**	**304.24**	**768.36**

Note:

1. The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report
2. Basic and Diluted EPS has been worked out taking into account the Bonus shares issued in the ratio of 1:1 during the period ended 30 June 2007

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - III STATEMENT OF CAPITALISATION AS AT JUNE 30, 2007

Particulars	Ref	Pre-issue As At 30 June 2007	Post - Issue
Borrowings:			
Short Term Debts		336.15	(*)
Long Term Debts		831.71	(*)
Total Debts	(A)	1,167.86	(*)
Shareholders Funds			
Share Capital		709.66	(*)
Reserves (Excluding Revaluation Reserve)		1,774.24	(*)
Total Shareholders Funds	*(B)*	2,483.90	(*)
Total Capitalization	*(A+B)*	**3,651.76**	**(*)**
Long Term Debt/ Equity Ratio		0.33:1	(*)
Total Debt/ Equity Ratio		0.47:1	(*)

Note:

* Information pertaining to post issue capitalization statement can be ascertained only after the conclusion of the book building process

Notes :-

(A) Short term debts include Cash Credit repayable on demand.

(B) Long Term Debts includes loans from Companies and Security Deposit / Advances

(C) Long Term Debt/ Equity Ratio = Total long-term debt/Total shareholders funds.

(D) Total Debt/ Equity Ratio = Total debt / Total Shareholders Funds

As Per Our Report of Even Date

For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M.No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - IV STATEMENT OF RESERVES & SURPLUS -

PARTICULARS	As At Jun-07	As At 31 March 2007	2006	2005	2004	2003
	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
RESERVE & SURPLUS						
SHARE PREMIUM ACCOUNT						
BALANCE AT THE COMMENCEMENT	1,331.28	-	-	-	-	-
ADD:- RECEIVED DURING THE YEAR	-	1,331.28	-	-	-	-
	1,331.28	1,331.28	-	-	-	-
GENERAL RESERVE						
BALANCE AT THE COMMENCEMENT	47.40	47.40	30.50	22.50	22.50	22.50
ADD:- TRANSFERRED FROM PROFIT & LOSS A/C	-	-	16.90	8.00	-	-
LESS:- CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	(37.55)	-	-	-	-	-
	9.85	47.40	47.40	30.50	22.50	22.50
PROFIT & LOSS A/C						
(As per annexed Profit and Loss Account)						
BALANCE BROUGHT FORWARD	696.89	181.66	241.29	184.97	149.13	117.48
ADD : CONSOLIDATION ADJUSTMENT	-	-	-	-	-	-
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	(317.27)	-	(192.00)	-	-	-
ADD : PROFIT TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	53.50	515.23	132.37	56.33	35.84	31.64
	433.12	696.89	181.66	241.30	184.97	149.13
Gross Total	1,774.25	2,075.57	229.06	271.80	207.47	171.63

Note:

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - V STATEMENT OF SECURED LOAN

PARTICULARS	As At	As At 31 March,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
Working Capital facilities						
- Cash Credit From Bank	119.16	111.09	68.88	15.06	50.00	53.80
Cash credit from banks is secured against hypothecation of raw materials, Work In Progress, stores, & spares & finished goods, book debt, machinery and equitable mortgage of specified immovable properties of the company and personal guarantee of the Managing Director of the Company.						
Term Finance						
- Term Loan From Bank	200.00	20.25	465.13	15.25	4.71	2.50
(Secured against equitable mortgage of immoveable properties of the companies of subsidiary company and personal guarantee of director(s) of the Company.)						
- HP Finance from other companies	16.99	0.00	0.00	4.81	2.80	3.82
(Secured against hypothecation of vehicle financed by them)						
- Interest on term loan		-	-	-	-	0.26
Total Secured Loans	**336.15**	**131.34**	**534.01**	**35.12**	**57.51**	**60.38**

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No.038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - VI STATEMENT OF UNSECURED LOAN

PARTICULARS	As At	As At 31 MARCH,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
Long term						
From Companies	790.02	424.92	527.78	226.31	171.91	101.77
From Financial Institution		-	-	130.00	-	-
Security Deposits	41.69	40.55	93.87	73.84	27.75	24.29
From Shareholders and Directors		-	13.65	49.73	14.81	12.66
Total Unsecured Loans	**831.71**	**465.47**	**635.30**	**479.88**	**214.47**	**138.72**

Note:

The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

For and on behalf of the Board of Directors

of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - VII STATEMENT OF CURRENT LIABILITIES & PROVISIONS

	As At	As At 31 March				
	Jun-07	2007	2006	2005	2004	2003
PARTICULARS	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
SUNDRY CREDITORS	286.77	681.17	198.25	265.82	165.37	168.80
ADVANCE PAYMENT RECEIVED	860.64	528.82	300.46	108.26	131.29	111.20
O/D BALANCE IN CURRENT A/C WITH SCH.BANK	-	0.01	8.61	1.64	11.96	15.87
OTHER LIABILITIES	144.02	76.33	59.82	25.06	13.81	12.57
SHARE APPLICATION MONEY	-	-	-	-	-	-
	1,291.42	1,286.33	567.13	400.78	322.43	308.44
PROVISIONS						
FOR TAXATION	366.37	328.40	173.14	85.31	38.66	48.77
FOR TAX ON DIVIDEND	-	0.00	0.00	12.21	0.01	0.01
FOR DEDUCTION IN UNAPPROVED SALES	8.75	10.36	-	-	-	-
	375.12	338.76	173.14	97.52	38.67	48.77

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - VIII FIXED ASSETS

Particulars	As At			As At 31 March														
	30-Jun-07			2007			2006			2005			2004			2003		
	Gross	Dep	Net	Gross	Dep	Net	Gross	Dep	Net	Gross	Dep	Net	Gross	Dep	Net	Gross	Dep	Net
LEASEHOLD LAND	1.68	0.12	1.56	1.68	0.12	1.56	1.68	0.08	1.59	1.68	0.05	1.63	1.68	0.02	1.66	-	-	-
LAND	0.70	-	0.70	0.70	-	0.70	-	-	-	-	-	-	-	-	-	-	-	-
PREMISES	113.72	28.15	85.58	113.72	27.06	86.66	129.55	25.61	103.93	76.13	19.54	56.60	76.33	16.63	59.70	75.55	13.52	62.03
PLANT & MACHINERY	120.01	27.90	92.11	116.89	24.60	92.29	66.45	16.64	49.81	60.23	12.69	47.54	30.73	7.48	23.25	16.90	4.55	12.36
FURNITURE & FIXTURES	22.29	7.93	14.36	21.96	7.25	14.70	8.30	6.02	2.29	8.48	6.03	2.45	8.34	5.46	2.88	7.87	4.72	3.15
ELEC. FITTINGS	12.28	4.11	8.17	12.28	3.54	8.73	2.74	2.32	0.43	2.74	2.17	0.58	2.74	1.96	0.78	2.74	1.69	1.05
MOTOR VEHICLE	21.71	12.55	9.16	21.68	11.92	9.76	18.18	9.72	8.47	15.48	7.24	8.24	12.35	5.84	6.50	12.07	4.38	7.69
AIR-CONDITIONER	3.90	2.07	1.83	3.77	2.01	1.76	3.24	1.76	1.48	2.74	1.58	1.16	2.46	1.41	1.05	2.34	1.25	1.10
OFFICE EQUIPMENT'S	21.82	10.34	11.48	20.46	9.48	10.98	13.25	7.10	6.15	13.29	8.08	5.21	10.16	6.43	3.74	8.05	5.45	2.60
OTHER CONSTR. ASSETS	0.79	0.09	0.69	0.79	0.07	0.72	0.06	0.04	0.02	0.06	0.04	0.02	0.06	0.04	0.02	0.06	0.03	0.03
OTHER ASSETS	0.12	0.11	0.01	0.12	0.11	0.01	0.11	0.11	0.00	0.11	0.11	0.00	0.11	0.11	0.00	0.11	0.11	0.00
SOFTWARES	0.08	0.08	-	0.08	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	319.09	93.46	225.63	314.12	86.24	227.88	243.57	69.40	174.17	180.96	57.53	123.43	144.97	45.38	99.59	125.71	35.71	90.00
CWIP			46.50			3.24			0.55			1.34			0.16			

Note:

The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - IX STATEMENT OF SUNDRY DEBTORS

Particulars	As At 30-Jun-07	As At 31 March, 2007	2006	2005	2004	2003
A) OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS						
CONSIDERED GOOD	361.30	261.80	125.02	44.96	4.84	79.77
CONSIDERED DOUBTFUL	6.87	2.40	-	-	-	-
	368.17	264.20	125.02	44.96	4.84	79.77
B) OTHERS - CONSIDERED GOOD	1,118.02	1,295.27	425.96	352.25	141.76	126.24
	1,486.19	1,559.48	550.98	397.22	146.61	206.01
LESS : RESERVE FOR DOUBTFUL DEBTS	6.87	2.40	-	-	-	-
	1,479.32	1,557.08	550.98	397.22	146.61	206.01

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - X STATEMENT OF LOANS AND ADVANCES

Particulars	As At 30-Jun-07	As At 31 March, 2007	2006	2005	2004	2003
ADVANCE AGST. DEVELOPMENT / WORK PURCHASES	61.39	16.91	126.32	32.47	8.84	12.78
PROJECT ADVANCES	355.92	255.73	0.00	0.00	0.00	0.00
INTERCORPORATE DEPOSITS	684.11	610.57	0.00	0.00	0.00	0.00
BALANCE IN CURRENT ACCOUNT WITH PARTNERSHIP FIRMS	5.00	7.84	0.00	67.90	151.68	150.59
PREPAID EXPENSES	25.67	25.67	8.58	3.09	1.77	1.10
OTHER CURRENT ASSETS & RECEIVABLES	314.99	337.46	249.42	200.72	78.73	36.26
DEPOSITS	96.47	65.50	15.80	26.97	26.89	9.80
ADVANCE PAYMENT OF INCOME TAX & TDS	348.94	263.33	156.37	85.70	51.01	56.65
Total	1892.49	1583.02	556.48	416.85	318.91	267.19

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

Director

Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - XI STATEMENT OF OTHER INCOME

PARTICULARS	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
Dividend Income	3.34	7.98	0.57	0.44	6.00	-
Interest Earned	11.87	8.85	11.59	4.52	2.20	9.36
Profit on Sale of Investments	0.13	21.84	28.55	2.01	-	-
Rent Earned	-	0.38	2.91	0.84	0.40	0.57
Equipment Hire Charges	-	-	0.02	0.15	0.15	2.87
Share of Profit /(loss) from AOP /Firm	-	1.42	-	-	-	-
Miscellaneous Income	1.14	2.22	0.17	1.73	1.43	0.27
Total	**16.48**	**42.69**	**43.81**	**9.69**	**10.18**	**13.07**

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

Director

Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - XII STATEMENT OF TAX SHELTERS

Particulars	Ref	Period ended	FOR THE YEAR ENDED MARCH 31,				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million	Rs in Million
Profit before taxes As Restated	A	102.96	704.27	245.02	126.98	52.76	49.74
Tax Rate (%)	B	33.99%	33.66%	33.66%	36.59%	35.88%	36.75%
Tax Impact	C=A*B	35.00	237.06	82.47	46.47	18.93	18.28
Adjustments							
Permanent Difference							
Profit on sale of Investments/Fixed Assets		-	(21.31)	(28.55)	(2.01)	0.06	0.15
Share of profit/loss from Registered Firms / AOP's		19.22	129.90	(3.25)	-	1.59	(0.05)
Exempted Income U/s 10		3.34	(7.98)	(0.57)	(0.44)	(6.00)	-
Expenses attributable to earning Tax Free income			0.18	0.12	0.11	0.10	-
Share Issue Expenses			4.35	4.13	-	-	-
Interest on Dividend Distribution Tax Dissallowed			-	0.04	-	-	-
Property Tax			-	0.59	-	-	-
Donation Dissallowed under the Act		0.57	1.82	0.24	0.11	0.47	0.31
Total	D	23.13	106.96	(27.25)	(2.23)	(3.78)	0.41
Temporary Difference							
ESIC Employee Contribution u/s 2(24)			-	-	-	0.01	-
Diff.between book depreciation and tax depreciation		1.14	(1.07)	2.69	(5.46)	(2.38)	(2.09)
Carry forward losses and unabsorbed depreciation			-	-	-	-	-
Provision for Gratuity			-	-	-	-	-
Preliminary Expenditure			-	-	-	-	-
Profession Tax paid u/s 43B			-	-	-	-	-
Leave encashment u/s 43B		5.42	8.48	4.77	3.16	2.74	2.17
ESIC Employee Contribution u/s 43B(b)			-	-	-	0.01	-
Provision for Bad debts		4.47	2.40	-	-	-	-
Merger expenses			-	-	-	-	-
Other Disallowances u/s 40a		2.10	10.59	1.51	-	-	-
Total	E	13.13	20.40	8.97	(2.30)	0.38	0.08
Net Adjustments	F=D+E	36.26	127.36	(18.28)	(4.53)	(3.40)	0.49
Tax saving on Net Adjustments	G=F*B	12.32	42.87	(6.15)	(1.66)	(1.22)	0.18
Tax liability,after considering the effect of adjustments	H=C-G	22.67	194.19	88.63	48.12	20.15	18.10
Taxable income (Book Profits) as per MAT*	I	80.40	566.39	247.70	126.54	45.16	49.80
MAT Rate	J	11.22	11.22	8.42	7.84	7.69	7.88
Tax Liability as per MAT	K=I*J	9.02	63.55	20.84	9.92	3.47	3.92
Tax liability being higher of "H" &" K" above	L	22.67	194.19	88.63	48.12	20.15	18.10
Interest payable under the Act	M	0	9.04	3.54	0.90	-	0.03
Tax payable for the period	N=L+M	22.67	203.23	92.17	49.02	20.15	18.13

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date

For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta
Partner
M.No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director
Company Secretary
Mumbai Dated

SCHEDULE 1:

SCHEDULE REFERRED TO AND FORMING PART OF SUMMARY FINANCIAL STATEMENTS AS RESTATED FOR THE PERIOD ENDED JUNE 30, 2007 AND FINANCIAL YEARS 2002-03 TO 2006-07

I NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

1. Summary of Restatement

Below mentioned is the summary of the results of restatement made in the audited accounts for the respective period and years and its impact on the profit of the Company.

Rs..in Million

Particulars of Adjustments	Note Ref	Jun-07	2007	2006	2005	2004	2003
A. Adjustments on account of Restatement							
Unbilled Revenue	I 2 b		(1.99)	0.20	3.33	(2.93)	(2.65)
Intangible Assets w/off	I 2 c		-	0.22	0.04	0.13	(0.40)
Depreciation	I 3 b		0.14	2.22	0.10	(0.53)	(0.31)
Share of Profit from firm/AOP	I 3 c		17.75	1.24	(1.24)	(0.51)	0.51
Prior Period Adjustments	I 3 d	(17.75)	(2.45)	-	-	-	-
Total of Adjustments (A)		(17.75)	**15.91**	**3.88**	**2.23**	**(3.84)**	**(2.85)**
B. Tax Adjustments							
Current Tax - Impact of Adjustments	I 3 e		0.67	(0.14)	(1.25)	0.97	1.21
Deferred Tax – Impact of Adjustments	I 3 e	(10.05)	(0.07)	0.11	(0.01)	0.19	0.12
Deferred Tax – Restatements	I 3 e		9.81	(0.50)	0.43	0.06	-
Total of Tax adjustments (B)		(10.05)	**10.41**	**(0.53)**	**(0.83)**	**1.22**	**1.33**
Adjustments under Appropriation							
Preference Dividend	I 3 e		-	(4.00)	3.99	0.01	0.01
Dividend Tax	I 3 e		-	(0.27)	0.64	-	-

2 Changes in Accounting Policies and Estimates

a) Retirement and other employee benefits

Leave encashment

For and up to the year ended March 31, 2006, the Company had provided for liability towards accumulated leave based on leave balance standing to the credit of employees as of the balance sheet date. For the period ended June 30, 2007and for the year ended March 31, 2007, the Company had made provision for leave encashment based on an actuarial valuation, as prescribed by Accounting Standard-15 (Revised 2005) 'Employee Benefits'.

This revised Standard is applicable to the Company with effect from April 1, 2007. However, the Company has decided to voluntarily adopt Revised Standard with effect from April 1, 2006. No adjustments have been made for earlier periods since in the opinion of the Company the impact of the same is not ascertainable.

b) Revenue Recognition in respect of Construction Contracts

In view of the Accounting Standard 7 'Construction Contracts' (Revised) becoming mandatory with effect from 1st April, 2003, the Company had applied the same for the years ended March 31, 2007, 2006, 2005 and 2004. Till the year ended March 31, 2003, Work in Progress-projects was valued on the basis of percentage completion method at the rates provided in the Contract reduced by an estimated percentage towards expected profit. From the year ended March 31, 2004, work in progress – projects to the extent of work done but not billed (unbilled revenue) is valued at the Net Realizable Value without reducing estimated percentage towards expected profits. Accordingly, figures have been restated for the year ended March 31, 2003 and brought forward balance in Profit and Loss Account as at April 1, 2002

In audited financial statements for the period ended June 30, 2007 and for the year ended March 31, 2007, 2006, 2005 and 2004 the revenue in respect of construction contracts was recognized taking into account estimated total cost and revenues and percentage of completion as at respective year end. In respect of those projects which were completed during these periods, the revenue has been restated by substituting the figures of actual cost and revenue with the figures of estimated revenue and cost taken to determine the recognition of revenue for those respective years.

c) Intangible Assets

In the Balance Sheet for the year ended March 31, 2006, 2005, 2004 and 2003, the Company had considered certain items as deferred revenue expenses and written off to the Profit and Loss Account over a period up to 10 years. In view of the Accounting Standard 26 "Intangible Assets" becoming mandatory with effect from 1st April, 2004, the Company has applied the same for the years ended March 31, 2005, 2004 and 2003 as if it was applicable since then. Accordingly, the same has been written off in the respective years in which the same was incurred. However, in case of such expenditure which has been incurred prior to 1.4.2002, the same has been appropriately adjusted in the Accumulated Profit and Loss balance as at April 1, 2002.

3. Other Adjustments

a) Paid-up Capital

During the year ended 31st March, 2006, the Company has split the existing Share Capital from face value of Rs.100/- each to Rs. 10/- each. Accordingly, the number of shares, face value for the year ended March 31, 2005, 2004 and 2003 has been restated as if the split has taken place during those years.

b) Depreciation on fixed assets

Depreciation on fixed assets has been recomputed at appropriate rates and restated in relevant accounting periods.

c) Share of Profit from Jointly Controlled Entities:

The financial statements for the period ended June 30, 2007 were finalized by incorporating the share of profit/loss of certain non-corporate Jointly Controlled Entities based on the information available as on the date of the finalization of financial statements. However, subsequently, the share of profit/loss of such entities determined based on their respective audited financial statements and accordingly, the same are restated in the summary financial statements.

d) Prior Period Items

In the Profit and Loss Account for the period ended June 30, 2007 and for the year ended March 31, 2007, the Company had classified certain items of income / expense as prior period. In the Summary

Statement of Profits and Losses, the said income/ expenses have been appropriately adjusted in the respective years.

e) Tax adjustments.

The profit and loss as restated is adjusted for the tax impact (current/deferred) on account of restatement of certain income and expenditure. This also includes effect of the deferred tax on account of re-computation for the period ended June 30, 2007 and for the years ended March 31, 2007, 2006, 2005, 2004 and 2003.

f) Dividend & Dividend Tax

Short provision of Preference Dividend during the year ending March, 31, 2005, 2004 and 2003 was provided during the year ending March 31, 2006 and 2005 and short provision of Dividend tax during the year ended March 31, 2005, 2004and 2003 was provided in the year March 31, 2006 and 2005 The effect of the same has been restated to give effect in the year for which it pertains.

4. Material Regrouping

a) Overdraft facility

For the financial years ended March 31, 2004 and 2003 the Company had disclosed the entire amount of overdraft facility availed from the Bank under Secured Loan. However, the amount of book balance of overdraft account which was in excess of the sanctioned limits has been shown as Secured Loan and the balance amount has been regrouped under Current Liability.

b) Deposits/Prepaid Expenses/ Other Receivables:

The deposits kept with various governmental and other authorities, prepaid expenses and other receivables till the year ended March 31, 2006, were disclosed under Other Current Assets. The same have been in the restated Summary Statement of Assets and Liabilities, for the years ended March 31, 2006, 2005, 2004 and 2003 has been regrouped and disclosed under Loans and advances instead of Other Current Assets.

c) Sales tax and service tax on sales / services disclosed separately

Up to the year ended March 31, 2005 Turnover was disclosed net of taxes on the face of the Profit and Loss Account and the details of the gross turnover and taxes and duties collected were disclosed in the Schedule to the Profit and Loss Account in accordance with the Accounting Standard Interpretation 14 "Disclosure of Revenue from Sales Transactions". The same has been now regrouped in the Restated Summary Financial Statements by disclosing the gross turnover, taxes and duties collected on the face of the Profit and Loss Account itself for the year ended March 31, 2005, 2004 and 2003.

d) Balances in current account with Partnership Firms/AOP

The balances in current account with Partnership Firms/AOP were classified under the head Unsecured Loans in some of the years. The same have been regrouped appropriately in the Restated Summary Financial Statements.

e) Income from Management Fees and other operating income

Income from Management Fees and share of income from AOP/Firms were grouped under Other Income. The same have now been regrouped under Operating Income in the Profit and Loss Account.

f) Dividend and Dividend Tax thereon

In audited accounts, dividend on Equity and Preference Shares and its corresponding dividend tax were shown under common head as dividend and dividend tax respectively. In restated accounts, dividend on Equity and Preference Shares and tax thereon has been regrouped to disclose the same separately.

5. Profit and Loss as at April 1, 2002 (Restated)

This has been worked out as under:

Particulars	Note	Amount Rs in Million
Profit and Loss account as at April 1, 2002 (Audited)		125.06
Unbilled Revenue	I 2 b	4.04
Change in rate of depreciation on fixed assets	I 3 b	(0.01)
(Short)/Excess Provision of Tax for prior periods	I 3 d	(0.20)
Deferred Tax Provision	I 3 e	(9.97)
Current Tax impact on above	I 3 e	(1.44)
Profit and Loss account as at April 1, 2002 (Restated)		117.48

II. ACCOUNTING POLICIES

1. Nature of Operation

Vascon Engineers Limited is engaged in the business of construction contracts and development of residential and commercial projects, Industrial parks and Hotels as well as operating and maintenance of the Industrial park/Hotels/Service Apartments/Malls. The Company has spinned off development projects at various stages of completion to another parties/Special Purpose Vehicle as a part of its strategy to optimise its resources/returns and minimise risks, where the company continues to associate either as a partner and/or a contractor.

2. Statement of Significant Accounting Policies for the period ended June 30, 2007.

a) Basis of Preparation of Financial Statement

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific

borrowing attributable to the acquisition of the fixed assets as per the provisions of Accounting Standard 16 "Borrowing Cost".

Intangible assets are recognised only if it meets with all the criteria specified in Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India In other cases such expenditure is written off during the period in which it is incurred.

d) Impairment

The assets are tested for impairment and the provision, if applicable, is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in Accounting Standard AS 28 “Impairment of Assets".

e) Depreciation

Depreciation on fixed assets has been provided under written down value method and manner at the rates prescribed in schedule XIV to the Companies Act, 1956. In respect of lease assets, the cost is depreciated over the lease period.

f) Investments

Investments are classified as current or long term based on the intention of management as regards their holding period. Long Term Investments are stated at cost of acquisition. Provision has been made in respect of diminution in the value of investments if it is considered as permanent in nature by the management. Current Investments are valued at lower of Cost or Net Realizable Value. The Profit/Loss on sale of investments is dealt with at the time of actual sale. Investments in Partnership firm(s) / Association of Persons are stated at the book value.

g) Recognition of Revenue

i) Revenue (net of retentions) from fixed price construction contracts is recognised on the percentage completion method. The stage of completion is determined by survey of work performed and or on completion of physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure. In respect of uncertified revenue recognised, an adequate provision is made for possible reductions, if any. Retentions are recognised only when it becomes due as per the terms of the contract.

ii) Revenue from sale of units is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection.

iii) Share of Profit/Loss from Partnership firm/ Association of Person is recognized as income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement..

iv) Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

v) Dividend Income – Dividend income is recognized as and when the right to receive the same is established

vi) Rental Income - Income from letting-out of property is accounted on accrual basis - as per the terms of agreement and the right to receive the rent is established.

h) Inventories

i) Stock of Material, etc

Stock of materials, etc. has been valued at lower of cost or net realizable value. The Cost is determined on FIFO basis.

ii) Development work

The development work in progress represents progressive cost of work remaining incomplete / unsold as at close of the year, valued at lower of cost or net realizable value on the basis of technical estimate certified and verified by the Managing Director.

iii) Stock of Resale

Stock of Resale has been stated at cost or net realizable whichever is less

i) Retirement Benefits

i) Retirement benefits in the form of Provident Fund are in the form of Defined Contribution Scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.
ii) Gratuity liability under the Payment of Gratuity Act is Defined Benefit Obligation and is provided on the basis of an actuarial valuation made at the end of each financial year.
iii) Compensated absences are provided for based on actuarial valuation.
iv) Actuarial gains / losses are immediately taken to the profit and loss account.

j) Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use or sale and other borrowing costs are charged to Profit & Loss Account.

k) Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Profit and Loss Account as incurred. Lease rentals in respect of assets given under operating lease are credited to the Profit and Loss Account as accrued.

l) Contingent Liabilities

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialized after the year-end but before finalization of accounts and have material effect on balance sheet date.

m) Income Tax

Taxes on Income are accounted in accordance with Accounting Standard 22 “Taxes on Income”. Taxes on Income comprise both current tax and deferred tax. Current tax comprises of tax payable on income and fringe benefit tax.

i) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.
ii) Deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s).This is measured using substantively enacted tax rate and tax regulation.

n) Joint Venture Projects

i) Jointly Controlled Operations

In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

ii) *Jointly Controlled Entities*

Integrated Joint ventures

Company's share in profits or losses of Integrated Joint Ventures is accounted on determination of the profits or losses by the joint venture.

Investments in Integrated Joint Ventures are carried at cost net of company's share in recognised profits or losses.
Incorporated Jointly Controlled Entities

Income on investments in incorporated Jointly Controlled Entities is recognised when the right to receive the same is established

Investment in such Joint Ventures is carried at cost after providing for any permanent diminution in value, if any.

o) Foreign currency transaction

In accordance with the Accounting Standard – 11 "Accounting for Effect of Changes in Foreign Rates":

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange Difference

All exchange differences arising on settlement and conversion on foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets from outside India, in which case they are adjusted in the cost of the corresponding assets

p) Earnings Per Share

In accordance with the Accounting Standard – 20 "Earning Per Share":

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.

ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

q) Provisions

In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

III OTHER NOTES

1) Contingent Liabilities

a) It has not been considered necessary to make a provision in respect of Income-Tax demands not accepted by company for the amounts mentioned here below as the same have already been paid and disputed by the company in Appeal before higher authorities.

Rs in Million

Year	June-07	2006-07	2005-06	2004-05	2003-04	2002-03
Amount Rs.	6.77	6.77	6.77	6.77	6.77	6.77

b) Other Contingent liabilities:

Rs in Million

Fin. Year	June-07	2006-07	2005-06	2004-05	2003-04	2002-03
A. Bank guarantee						
(i)for other companies		-	2.00	2.00	2.00	2.00
(ii) for Performance		-	30.90	30.90	30.90	30.90
B. Corporate Guarantee	79.83	89.58	6.00	6.00	6.00	6.00
Claims against the Company not acknowledged as debt		-	1.46	-	-	-

2) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances are as given here under:

Rs in Million

Fin. Year	June-07	2006-07	2005-06	2004-05	2003-04	2002-03
Amount (Rs)	66.66	2.16	-	-	-	-

3) The Company has acquired land/development rights for its various projects under Single Joint Venture agreements. As per such Agreements the company has to work out the consideration for acquisition of land/ development rights on the basis of sale proceeds at the time of receipts of the such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Company or by the vendor, except to the extent of non refundable amount of Rs. 25 million (paid during the year 2006-07) which has been accordingly debited to the land cost. In view of the nature of these agreements, as a policy, the company will either reduce the proceeds or add to the cost the aforesaid consideration amount and account for the profit in the respective year to the extent of

sale by the company. All monies received from the buyer and paid to the vendor earlier to this event will be considered advances received and paid, respectively.

4) Sales turnover for the year includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and sales of projects spin off during the year.

5) Amalgamation of Clover Resort Pvt. Ltd. with Vascon Engineers Ltd.

a) Pursuant to the Scheme of Amalgamation approved by the shareholders of the Company and the Honorable High Court of Judicature at Bombay, vide its order dated January 19, 2007, all assets and liabilities and reserves of erstwhile Clover Resorts Private Limited wholly owned subsidiaries of the Company having been vested in the Company from April 1, 2006 as per scheme of amalgamation sanctioned by the High Court, have been incorporated in these accounts.

b) Salient Features of the Amalgamation Scheme are detailed below:

i) Name and general nature of business of Transferor Company: Clover Resorts Pvt. Ltd.
ii) Appointed date of amalgamation for accounting purpose: April 1, 2006
iii) Method of accounting used to reflect the amalgamation: Purchase Method
iv) Particulars of Scheme sanctioned by the statue:

With effect from April 1, 2006 the entire business and undertaking including all assets and liabilities of Clover Resort Pvt. Ltd. and rights and obligations, all books of account and documents and records relating thereto, are transferred to the Transferee Company pursuant to Section 394 (2) of the Companies Act,1956; and
With effect from the Appointed Date, all proceedings, if any, pending by or against Clover Resort Pvt. Ltd. be continued by or against the Transferee Company.

Consequent to giving effect to this scheme, the company's investment in the Share Capital of Clover Resort Pvt. Ltd. has been cancelled against Share Capital of Clover Resort Pvt. Ltd.

6) The revenue from construction contracts is recognized on the basis of the bills approved by the Customer up to the year ending March 31, 2006. During the period ended June 30,2007 and year ended 31st March, 2007, in absence of information available at the time of finalization of the accounts in respect of approval of the bills by the customer, the Company has made a provision based on historical data at Rs.8.74 million & Rs.10.36 million respectively, towards short approvals, if any. The necessary adjustments, if any, will be carried out in the accounts for the subsequent year.

7) Segment Information

The Company's operations predominately consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the report, the Company has engaged in its business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

8) Related Party Disclosure

The particulars of Related Parties as required under AS18 (Related Party Transactions) issued by the Institute of Chartered Accountants of India is given in Annexure 1A and 1B to this notes

9) Accounting for taxes

The break up of deferred tax liabilities/asset arising due to timing difference is given in the Annexure 2 to these notes.

10) Leases

a) The Company's significant leasing arrangements are in respect of operating leases for commercial and residential premises.

b) Lease Income from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are given in Annexure 3 to these notes.

11) Construction Contract

The particulars in respect of Construction Contracts as required under Accounting Standard 7 (Revised 2003) "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India is given in Annexure 4 to this notes.

As Per Our Report of Even Date

For Anand Mehta & Associates
Chartered Accountants

CA Kulin Mehta
Partner
M. No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary.
Mumbai: Dated

VASCON ENGINEERS LIMITED

ANNEXURES REFERRED TO AND FORMING PART OF SCHEDULE 1 TO SUMMARY RESTATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2007 AND FOR THE FINANCIAL YEARS 2002-03 TO 2006-07

ANNEXURE 1 A :

List of Related Parties and nature of relationship is as under

Particulars	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
Nature of Relationship	Name of Party	Name of Party	Name of Party	Name of Party	Name of Party	Name of Party
Joint Venture	Just Home (I) Pvt. Ltd.	Just Home (I) Pvt. Ltd.	Phoenix Ventures	Marigold Construction	Marigold Construction	Marigold Construction
	Marigold Premises Pvt. Ltd.	Marigold Premises Pvt. Ltd.	Zenith Ventures	Zircon Ventures		
	Phoenix Ventures	Phoenix Ventures	Zircon Ventures			
	Viorica Properties Pvt Ltd	Vascon Hadapsar Ventures				
	Weikfeilds ITCITI	Viorica Properties Pvt Ltd				
	Zenith Ventures	Weikfeilds ITCITI				
	Zircon Ventures	Zenith Ventures				
		Zircon Ventures				
Key Management Personnel	R. Vasudevan	R. Vasudevan	R. Vasudevan	R. Vasudevan	R. Vasudevan	R. Vasudevan
Relatives of key Managerial	Lalitha Sundarrajan	Lalitha Sundarrajan	Lalitha Vasudevan	Lalitha Vasudevan	Lalitha Vasudevan	Lalitha Vasudevan
Persons	Lalitha Vasudevan	Lalitha Vasudevan	N.R.Moorthy	N.R.Moorthy	N.R.Moorthy	N.R.Moorthy
	N. R. Moorthy	N. R. Moorthy	Thangam Moorthy	N.R.Moorthy (HUF)	Thangam Moorthy	Thangam Moorthy
	Siddarth Vasudevan	Siddarth Vasudevan		R. V. Vasudevan HUF)		
	Thangam Moorthy	Thangam Moorthy		Thangam Moorthy		
Associates	Ajanta Enterprises	Ajanta Enterprises	Ajanta Enterprises	Ajanta Enterprises	H.U. Khinvsara	H.U. Khinvsara
	Angelica Properties Pvt Ltd	Angelica Properties Pvt Ltd	Marigold Construction	Conamore Resorts Pvt. Ltd.	Marigold Premises Pvt. Ltd.	Marigold Premises Pvt. Ltd.
	Mumbai Estate Pvt Ltd	Mumbai Estate Pvt Ltd	Marigold Premises Pvt. Ltd.	Marigold Premises Pvt. Ltd.		
	Syringa Properties Pvt Ltd	Syringa Properties Pvt Ltd	Mr H.U. Khinvsara	Mr H.U. Khinvsara		
Enterprise where key	Core Fitness Pvt Ltd	Core Fitness Pvt Ltd	Core Fitness Pvt. Ltd.	Core Fitness Pvt. Ltd.	Golden Dwellings Pvt.Ltd	Nagaon Resorts Pvt. Ltd.
Management personnel and	Flora Premises Pvt Ltd	Flora Premises Pvt Ltd	Golden Dwellings Pvt.Ltd	Golden Dwellings Pvt.Ltd	IT Citi Infopark Pvt.Ltd	Novacare Drug Speacilites Pvt. Ltd
their relatives exercise	Iris Propeties Private Limited	Iris Propeties Private Limited	Golden Nest Developers Pvt. Ltd.	Golden Nest Developers Pvt. Ltd.	Nagaon Resorts Pvt. Ltd.	Thistle Properties Pvt. Ltd
significant influence	One Stop Shop (I) Pvt Ltd	One Stop Shop (I) Pvt Ltd	Iris Propertis Pvt. Ltd.	Iris Propertis Pvt. Ltd.	Novacare Drug Speacilites Pvt.Ltd.	Vastech Associates
	Vastech Associates	Vastech Associates	IT Citi Infopark Pvt.Ltd.	IT Citi Infopark Pvt.Ltd	Vastech Associates	Vatsalya Enterprises Pvt.Ltd.
	Vastech Consultants Pvt Ltd	Vastech Consultants Pvt Ltd	Nagaon Resorts Pvt. Ltd.	Nagaon Resorts Pvt. Ltd.	Vastech Consultant Pvt. Ltd	
			Novacare Drug Speacilites P Ltd	Novacare Drug Speacilites Pvt Ltd	Vatsalya Enterprises Pvt.Ltd.	
			One Stop Shop India Pvt. Ltd.	One Stop Shop India Pvt. Ltd.		

Particulars	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
Nature of Relationship	Name of Party	Name of Party	Name of Party	Name of Party	Name of Party	Name of Party
			Vastech Associates	Vastech Associates		
			Vastech Consultants Pvt. Ltd.	Vastech Consultants Pvt.Ltd.		
			Vatsalya Enterprises Pvt. Ltd	Vatsalya Enterprises Pvt. Ltd.		
Subsidiary	Calypso Premises Pvt Ltd	Calypso Premises Pvt Ltd	Clover Resorts Pvt. Ltd.			
	Cosmos Premises Pvt Ltd	Cosmos Premises Pvt Ltd	Marvel Housing Pvt. Ltd.			
	Floriana Properties Pvt Ltd	Floriana Properties Pvt Ltd				
	IT CITi Info Park Pvt Ltd	IT CITi Info Park Pvt Ltd				
	Marvel Housing Pvt Ltd	Marvel Housing Pvt Ltd				
	Rose Premises Pvt Ltd	Rose Premises Pvt Ltd				
	Vascon Dwellings Pvt Ltd	Vascon Dwellings Pvt Ltd				
	Windflower Premises Pvt Ltd	Windflower Premises Pvt Ltd				
	Vascon Pricol Infrastructure Ltd					

VASCON ENGINEERS LIMITED

ANNEXURES REFERRED TO AND FORMING PART OF SCHEDULE 1 TO SUMMARY RESTATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2007 AND FOR THE FINANCIAL YEARS 2002-03 TO 2006-07

ANNEXURE 1 B :

Details of transactions with Related Parties and Outstanding Balances are as under:

		Period ended	FOR THE YEAR ENDED MARCH 31,				
		30-Jun-07	2007	2006	2005	2004	2003
Particulars	Nature of Relationships	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
Sales and Works	Joint Venture	18.38	129.11	37.60	21.67	38.19	43.93
	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	-	-
	Associates	81.05	-	171.91	58.33	213.83	150.11
	Establishment where Key Personel or relatives influence		-	-	-	0.03	10.42
	Subsidiaries	17.03	4.43	-	-	-	-
	Total	116.46	133.54	209.51	80.00	252.06	204.46
Rentals /	Joint Venture	2.50	-	-	-	-	-
Hire Charges	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	-	-
	Associates		-	-	1.20	-	-
	Establishment where Key Personel or relatives influence		0.21	2.00	-	-	-
	Subsidiaries		-	-	-	-	-
	Total	2.50	0.21	2.00	1.20	-	-
Interest Income	Joint Venture	4.39	2.13	-	-	-	7.06
	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	-	-
	Associates	0.01	0.14	-	-	-	-
	Establishment where Key Personel or relatives influence	0.40	-	1.00	-	0.36	-
	Subsidiaries	6.51	0.34	0.89	-	-	-
	Total	11.32	2.61	1.89	-	0.36	7.06
Interest Expense	Joint Venture	-	-	-	-	-	-
	Key Management Personel	-	-	-	-	0.36	0.62
	Relatives of Key Management Personel	-	0.76	0.61	0.13	0.25	0.23
	Associates	-	-	-	-	-	-
	Establishment where Key Personel or relatives influence	-	0.44	4.92	0.48	2.08	0.49
	Subsidiaries	-	0.06	0.01	-	-	-
	Total	-	1.26	5.55	0.60	2.69	1.35
Purchase of	Joint Venture	-	-	-	-	-	-
Goods / Works	Key Management Personel	-	-	-	-	-	-
	Relatives of Key Management Personel	-	-	-	-	-	-
	Associates	-	-	-	-	-	-
	Establishment where Key Personel or relatives influence	-	-	-	0.17	0.98	14.77

Particulars	Nature of Relationships	Period ended	FOR THE YEAR ENDED MARCH 31,				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
	Subsidiaries	-	-	-	-	-	-
	Total	-	-	-	0.17	0.98	14.77
Rendering of	Joint Venture		146.03	-	-	-	-
Services	Key Management Personel	6.19	16.45	12.26	-	4.04	2.10
	Relatives of Key Management Personel	0.21	0.96	0.77	0.01	0.13	0.22
	Associates	-	-	-	7.51	-	-
	Establishment where Key Personel or relatives influence	0.02	25.54	2.09	0.21	5.92	6.21
	Subsidiaries	-	17.91	-	-	-	-
	Total	6.43	206.90	15.12	7.73	10.10	8.53
Sale of Fixed	Joint Venture		-	-	-	-	-
Assets	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	-	-
	Associates		1,000.00	-	-	-	-
	Establishment where Key Personel or relatives influence		-	-	-	-	-
	Subsidiaries		-	-	-	-	-
	Total	-	1,000.00	-	-	-	-
Purchase of Fixed	Joint Venture		-	-	-	-	-
Assets	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	-	-
	Associates		-	-	54.97	-	-
	Establishment where Key Personel or relatives influence		-	52.56	-	-	0.62
	Subsidiaries		-	-	-	-	-
	Total	-	-	52.56	54.97	-	0.62
Amount Written off	Joint Venture		-	-	-	-	-
	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		-	-	-	0.03	-
	Associates		-	-	-	-	-
	Establishment where Key Personel or relatives influence		-	-	-	-	-
	Subsidiaries		-	-	-	-	-
	Total	-	-	-	-	0.03	-
Amount Written back	Joint Venture		-	-	-	-	-
	Key Management Personel		-	-	-	-	-
	Relatives of Key Management Personel		0.00	-	-	-	-
	Associates		-	-	-	-	-
	Establishment where Key Personel or relatives influence		-	-	-	-	-
	Subsidiaries		-	-	-	-	-
	Total	-	0.00	-	-	-	-
Receivable to	Joint Venture	525.87	369.07	29.62	83.93	151.71	150.09
Vascon	Key Management Personel		-	-	-	-	-
Engineers	Relatives of Key Management Personel		-	1.05	45.22	-	0.10
Limited	Associates	202.92	240.87	4.35	62.38	39.12	122.83
	Establishment where Key	18.01	15.38	15.35	51.18	11.75	5.42

Particulars	Nature of Relationships	Period ended	FOR THE YEAR ENDED MARCH 31,				
		30-Jun-07	2007	2006	2005	2004	2003
		Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
	Personel or relatives influence						
	Subsidiaries	423.86	431.17	1.40	-	-	-
	Total	1,170.66	1,056.49	51.77	242.72	202.59	278.45
Receivable From	Joint Venture	67.44	54.88	9.46	-	-	-
Vascon	Key Management Personel		-	-	-	2.73	4.93
Engineers	Relatives of Key Management Personel		-	-	5.18	3.89	1.67
Limited	Associates		-	202.94	5.10	-	-
	Establishment where Key Personel or relatives influence		-	21.98	-	21.46	15.92
	Subsidiaries	214.68	228.00	65.58	-	-	-
	Total	282.12	282.88	299.95	10.28	28.08	22.51

VASCON ENGINEERS LIMITED

ANNEXURES REFERRED TO AND FORMING PART OF SCHEDULE 1 TO SUMMARY RESTATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2007 AND FOR THE FINANCIAL YEARS 2002-03 TO 2006-07

ANNEXURE 2:

The break up of Deferred tax liabilities arising due to timing difference is as under:

Particulars	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
1. Depreciation	21.41	13.16	12.15	12.77	11.61	10.55
2. Statutory Payment – Leave Encashment	(1.84)	(2.88)	(1.61)	(1.06)	(1.00)	(0.78)
- Profession Tax	-	-	-	-	(0.00)	(0.00)
3. Reserve for doubtful debts	-	(0.82)	-	-	-	-
4. Disallowance U/S 40a	(2.23)	(3.60)	(0.51)	-	-	-
5. Long Term Capital Loss	-	-	-	-	-	-
Net Deferred Tax Liability as per Restated	**17.33**	**5.86**	**10.03**	**11.71**	**10.61**	**9.77**

ANNEXURE 3:

The Company's significant leasing arrangements are in respect of operating leases for commercial and residential premises. Lease Income from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are as under:-

Particulars	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
Gross Carrying Amount of Premises	26.73	26.73	52.56	-	-	-
Accumulated Depreciation	2.38	2.07	1.35	-	-	-
Depreciation for the year	0.31	2.09	1.35	-	-	-
Future minimum lease payment under non-cancellable operating leases is as under:						
A) Not later than 1 year	3.42	10.61	3.42	-	-	-
B) Later than 1 year and not later than 5 years	0.57	1.43	4.85	-	-	-
C) Later than 5 years	-	-	-	-	-	-

ANNEXURE 4 :

Disclosure of particulars of contract revenue in accordance with the requirement of Accounting Standard 7 are as under:

Particulars	Period ended	FOR THE YEAR ENDED MARCH 31,				
	30-Jun-07	2007	2006	2005	2004	2003
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
Contract Revenue Recognised	455.51	1,464.28	1,447.25	1,229.96	706.59	643.49
Contract Expenses Recognised	378.83	1,125.44	970.98	984.46	546.47	470.77
Recognised Profit	76.68	338.84	476.27	245.50	160.11	172.72
Contract Cost Incurred	378.83	1,125.44	970.98	984.46	546.47	470.77
Progress Billing	213.62	1,340.90	1,365.96	1,155.44	642.22	602.75
Unbilled Contract Revenue Recognised	241.89	123.38	81.29	74.51	64.36	40.74
Advances from Customers	843.61	481.28	124.44	29.22	36.31	2.09
Contract Cost Incurred and Recognised Profit	455.51	1,464.28	1,447.25	1,229.96	706.59	643.49
Gross Amount Due from Customer	559.67	642.48	550.98	384.60	144.99	79.48

CONSOLIDATED FINANCIAL INFORMATION OF VASCON ENGINEERS LIMITED

To
The Board of Directors,
Vascon Engineers Ltd
15/16, Hazari Baug,
LBS Marg,
Vikhroli,
Mumbai 400 083

Dear Sirs,

1. We have examined the attached consolidated financial information of Vascon Engineers Limited and its subsidiaries and joint ventures 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 DIP Guidelines') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 9th May, 2007 in connection with the proposed issue of Equity shares of the Company.

2. This information have been extracted by the Management from the financial statements of the Company for the period ended June 30th, 2007 and year ended March 31st, 2007 and 2006. Audit for the period ended June 30,2007 & for year ended March 31,2007 by us and for the financial year ended March 31st, 2006 was conducted by the undersigned in his individual capacity/proprietor of Kulin Mehta & Co. (KMCO) while the present report is being signed as a partner in the firm Anand Mehta & Associates.

3. The financial statements of the subsidiaries, and joint ventures (as applicable) for the financial years ended March 31st, 2006, whose Financial Statements reflect total assets of Rs. 327.49 million and total revenue of Rs. 15.15 million were audited by KMCO and other partners of our firm; namely CA.J. P. Doshi, CA. K. E. Goawala in their capacity as proprietor of their respective firms (ie M/s. J.P.Doshi & Co (JPDCO) and M/s. K.E.Goawala & Co (KEGCO))

   We did not audit the financial statement of a subsidiaries for the financial period ended June 30, 2007, whose Financial Statements reflect total assets of Rs. 83.818 Million and total loss of Rs. 0.634 Million which were audited by M/s Suri and Co (SAC); whose financial report have been furnished to us and our opinion as it relates to the amounts included in these Consolidated Restated Summary Statement of the Assets and Liabilities and Consolidated Restated Summary Statement of Profit & Loss Account are based solely on the report of the other auditors.

   These other auditors (of the Company, Subsidiaries and Joint Venture), have confirmed that the restated consolidated information have been made after incorporating:

   (i) Consolidated Financial Statements of the Company has been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at June 30, 2007 as stated in the Notes forming part of the Consolidated Financial Statements vide Annexure 1 to this report.

   (ii) There are no qualifications in the auditors reports during the reporting period, which require any adjustments to the Consolidated Financial Statements

   (iii) Adjustments for the material amounts in the respective financial years to which they relate.

   (iv) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, SEBI Guidelines and terms of our engagement with you we further report that:

(a) The Consolidated Restated Summary Statement of Assets & Liabilities of the company and its subsidiaries and joint ventures, examined and reported upon by partners of our firm and by other auditors, on which reliance has been placed by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to Accounts and Changes in Significant Accounting Policies (Refer Annexure).

(b) The Consolidated Restated Summary Statement of Profit or Loss of the Company and its subsidiaries and joint ventures examined by partners of our firm and by other auditors, on which reliance has been placed by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to Accounts and Changes in Significant Accounting Policies (Refer Annexure).

(c) Based on above, we are of the opinion that the restated financial information have been made after incorporating:

(i) Consolidated Financial Statements of the Company has been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at June 30, 2007 as stated in the Notes forming part of the Consolidated Financial Statements vide Annexure 1 to this report.

(ii) There are no qualifications in the auditors reports during the reporting period, which require any adjustments to the Consolidated Financial Statements

(iii) Adjustments for the material amounts in the respective financial years to which they relate.

(iv) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments.

(d) We have also examined the following consolidated other financial information setout in Annexure prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries and joint ventures.

Annexure I	Statement of Dividend paid/proposed
Annexure II	Statement of Accounting Ratios
Annexure III	Statement of Capitalization as at 30th June, 2007
Annexure IV	Statement of Reserves & Surplus
Annexure V	Statement of Secured Loan
Annexure VI	Statement of Unsecured Loan
Annexure VII	Statement of Current Liabilities & Provisions
Annexure VIII	Statement of Fixed Assets
Annexure IX	Statement of Sundry Debtors
Annexure X	Statement of Loans and Advances
Annexure XI	Statement of Other Income
Annexure XII	Statement of Tax Shelter

In our opinion the financial information contained in Annexure I to XII of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes to Accounts (Refer Annexure) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the DIP Guidelines.

We have applied such procedures as we, in our opinion, considered appropriate for the purpose of audit of financial information in accordance with Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform our audit to obtain

reasonable assurance as to whether the standalone financial information under examination are free of material misstatement

5. Our report is intended solely for the 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 Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai
Dated : September 19, 2007

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

PARTICULARS		As At 30-Jun-07 Rs in Million	AS AT MARCH 31, 2007 Rs in Million	2006 Rs in Million
Fixed Assets				
Gross Block		705.98	434.96	243.57
Less: Accumulated Depreciation		108.60	96.21	69.40
Net Block		597.38	338.75	174.17
Less: Revaluation Reserve		-	-	-
Net Block after adjustment for Revaluation Reserve		597.38	338.75	174.17
Capital WIP including Capital Advances		53.09	259.79	0.55
Total	**(a)**	650.47	598.54	174.72
Intangible Assets	**(b)**	44.19	10.70	-
Investments	**(c)**	408.59	466.30	57.49
Current Assets, Loans and Advances				
Inventories		2,116.23	1,814.08	1,206.47
Sundry Debtors		1,274.12	1,362.34	551.20
Cash and Bank Balances		157.37	188.65	102.28
Other current Assets		241.89	123.38	81.29
Loans and Advances		2,276.97	1,544.85	498.40
Total	**(d)**	6,066.58	5,033.30	2,439.64
Total Assets [a+b+c+d]	**(e)**	7,169.83	6,108.84	2,671.85
Liabilities & Provisions				
Secured Loans		534.67	301.91	534.01
Unsecured Loans		1,395.32	972.03	707.34
Current Liabilities		2,199.21	1,917.26	724.11
Provisions		409.18	374.92	183.44
Deferred Tax Liability		15.21	5.83	10.03
Minority Interest		74.45	54.15	-
Total	**(f)**	4,628.04	3,626.10	2,158.93
Net Worth [e-f]		2,541.79	2,482.74	512.92
Net Worth represented by				
Share Capital		709.66	354.83	301.60
Reserves and Surplus		1,832.13	2,127.91	211.32
Share Application Money				
Less: Revaluation Reserve		-	-	-
Reserves and Surplus (Net of Revaluation Reserve)		1,832.13	2,127.91	211.32
Less: Miscellaneous Expenditure		-	-	-
(to the extent not written off or adjusted)				
Net Worth		**2,541.79**	**2,482.74**	**512.92**

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated:

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES AS RESTATED

PARTICULARS	For the period ended	For the year ended as on March 31,	
	Jun-07	2007	2006
Operating Income	Rs in Million	Rs in Million	Rs in Million
Sales			
Gross Sales (Refer Note V 6)	1,243.37	3,893.03	1,435.53
Less: Work Contract Tax / VAT Collected	(15.59)	(50.66)	(19.07)
Less: Service Tax Collected	(13.79)	(60.76)	(52.00)
Increase/ (Decrease) in Unbilled Revenue	118.51	44.08	6.58
Turnover (Net)	1,332.50	3,825.69	1,371.04
Other Operating Income			
Rent Earned	12.53	33.34	10.71
Share of Profit From a Partnership Firm/AOP	15.57	70.38	1.59
Management Fees	-	2.53	-
Income From Resorts/Multiplex	11.07	18.75	-
	39.17	125.00	12.30
Total Operating Income	1,371.67	3,950.69	1,383.34
Other Income	8.76	41.76	47.26
TOTAL INCOME	**1,380.43**	**3,992.45**	**1,430.60**
Cost of Sales	1,107.20	2,984.87	1,017.03
Employees Cost	53.48	110.69	74.70
Operating and Administrative Cost	65.83	150.52	64.16
Share of Loss from Associates	0.09	1.36	-
Finance Cost	28.07	39.29	30.99
Depreciation	12.39	27.68	18.90
TOTAL EXPENDITURE	**1,267.06**	**3,314.41**	**1,205.78**
Profit Before Tax	113.38	678.05	224.81
Less : Provision For			
Current Tax	44.83	206.22	98.78
Deferred Tax	(0.67)	5.56	(2.07)
Fringe benefit Tax	0.34	1.40	1.10
	44.50	213.18	97.81
Net Profit After Tax	68.88	464.87	127.00
Add:(Less) Prior Year Adjustments	-	-	-
Net Profit Before Adjustment	68.88	464.87	127.00
ADJUSTMENTS:			
Adjustments on account of Restatements	-	(1.83)	3.23
Adjustments on account of Restatements (Prior Period)	-	-	-
Current Tax Adjustments	-	0.32	0.18
Deferred Tax Adjustments	(10.05)	9.74	(0.39)
Total of Adjustments	(10.05)	8.23	3.02
Net Profit As Restated	58.83	473.10	130.02
Profit and Loss Amount at the beginning of the year	657.11	174.56	251.71
Balance available for Appropriatian, As Restated	715.94	647.66	381.73
APPROPRIATIONS			
As per Audited Accounts			
Transfer to General Reserve	(0.90)	(1.55)	(15.80)
Dividend on Preference - Paid/Provided	-	-	(10.66)
Income /(Loss) from Associates	-	-	-
Tax on Dividend - Preference	(0.42)	(0.12)	(1.20)
Minority Interest	0.58	2.11	-
Issue of Bonus shares	(317.27)	-	(192.00)
Pre-Acquisition profit	0.06	9.01	-
Adjustment on Restatement			
Dividend on Preference Shares	-	-	4.00
Tax on Dividend on Preference Shares	-	-	0.27
Transfer to Investment Account	-	-	8.22
Total Appropriation As Restated	**(317.95)**	**9.45**	**(207.17)**
BALANCE CARRIED FORWARD AS RESTATED	**397.99**	**657.11**	**174.56**

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary

Mumbai Dated:

VASCON ENGINEERS LIMITED

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOW AS RESTATED

	As At	AS AT MARCH 31,	
	30-Jun-07	2007	2006
PARTICULARS	Rs in Million	Rs. in Million	Rs. in Million
Cash Flow from Operating Activities			
Net Profit Before Tax and Prior Year Adjustments	**113.38**	**676.22**	**228.04**
Adjustments for :			
Depreciation	12.39	27.68	18.90
(Profit) / Loss on Sale of Assets	-	(21.31)	(3.09)
(Profit) / Loss on Sale of Investments	(0.13)	(0.53)	(28.26)
Share of Loss in Associates	0.09	1.36	
Deferred Expenses Written off	-	0.90	0.67
Write off/Other Adjustments	10.68	-	0.36
Interest Income	(6.37)	(8.62)	(10.69)
Dividend Income	(0.84)	(7.11)	(0.57)
Interest Expense	28.07	39.29	30.99
Provision for Doubtful Debts	4.47	2.40	-
Operating Profit before Working Capital changes	**161.74**	**710.28**	**236.35**
Movements in Working Capital			
Decrease/ (Increase) in Inventories	(302.15)	(219.98)	(886.99)
Decrease/ (Increase) in Sundry Debtors	83.75	(876.67)	(150.19)
Decrease/ (Increase) in Other Current Assets	(118.51)	(41.80)	(6.78)
Decrease/ (Increase) in Loans and Advances	(555.34)	(456.65)	(10.77)
Withdrawal /(Investments) in Partnership Firm	(87.50)	(103.47)	33.39
Increase /(Decrease) in Trade Payables	288.67	1,209.73	293.55
Cash generated from Operations	(529.34)	221.44	(491.44)
Direct Taxes paid (net of refunds)	(98.61)	(155.45)	(72.92)
Prior Year Expenses	-	-	-
Cash Flow before Extraordinary Items	**(627.95)**	**65.99**	**(564.36)**
Less: Extraordinary Item	-	-	-
Net cash from operating activities (A)	**(627.95)**	**65.99**	**(564.36)**
Cash flow from investing activities			
Purchase of Fixed Assets	(64.33)	(380.93)	(70.08)
Disposal of Fixed Assets	-	46.52	3.87
Purchase of Investments	(110.70)	(254.31)	0.12
Disposal of Investments	136.61	2.75	129.85
Decrease/ (Increase) in Loans and Advances	-	(542.89)	(44.12)
Share of Loss (Profit) In Associates	(0.09)	(1.36)	-
Interest Received	6.37	8.62	10.69
Dividend Received	0.84	7.11	0.57
Net Cash from Investing Activities (B)	**(31.30)**	**(1,114.49)**	**30.90**
Cash Flow from Financing Activities			
Proceeds from issuances of Share Capital	-	1,384.50	100.00
Redemption of Preference Capital	-	-	(100.08)
Availment (Repayment) of Long Term Borrowings	656.04	(214.91)	645.21
Interest Paid	(28.07)	(39.29)	(30.99)
Dividends Paid	-	-	(14.59)
Tax on Dividend Paid	-	-	(1.85)
Net Cash from Financing Activities (C)	**627.97**	**1,130.30**	**597.70**
Net increase in cash and cash equivalents (A+B+C)	**(31.28)**	**81.80**	**64.24**
Cash and Cash Equivalents at the beginning of the year	188.65	102.28	27.43
Cash and Cash Equivalents	-	4.57	10.61
Cash and Cash Equivalents at the end of the year	**157.37**	**188.65**	**102.28**
Components of Cash and Cash Equivalents	**As At**	**As At 31 March**	
	30-Jun-07	**2007**	**2006**
Cash on Hand	19.08	9.47	3.47
With Banks - on Current Accounts	120.63	168.35	94.01
- on Deposit Accounts	17.66	10.83	4.80
Components of cash and cash equivalents at the end of the year	**157.37**	**188.65**	**102.28**

Note: The above Cash Flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' issued by the Institute of Chartered Accountant of India

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M.No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - I STATEMENT OF DIVIDEND PAID / PROPOSED

Particulars	Face Value (Rs. Per Shares	For the period ended 30-Jun-07 Rs. in Million	For the year ended as on 31March 2007 Rs. in Million	2006 Rs. in Million
Class of Shares				
Equity Share Capital	10	709.66	354.83	301.60
6% Redeemable Preference Share Capital			-	-
10% Redeemable Preference Share Capital			-	-
Dividend on Equity Shares				
- Rate			-	-
- Amount			-	-
Dividend on 6 % Redeemable Preference Shares				
- Rate			-	6.00%
- Amount			-	0.00
Dividend on 10 % Redeemable Preference Shares				
- Rate			-	10.00%
- Amount			-	6.66
Corporate Dividend Tax			0.12	0.93

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary
Mumbai Dated:

VASCON ENGINEERS LTD

ANNEXURE -II STATEMENT OF ACCOUNTING RATIO

PARTICULARS	Ref.	For the period ended 30-Jun-07	For the year ended as on March 31, 2007	2006
EARNING PER SHARE		Rs in Million	Rs in Million	Rs in Million
Opening number of shares		70,964,706	30,160,000	960,000
(after converting in Rs. 10 each)				
Closing number of shares		70,964,706	35,482,353	30,160,000
(after converting in Rs. 10 each)				
Weighted average number of Equity Shares (Basic)	(a)	70,964,706	69,583,325	53,635,068
(after converting in Rs. 10 each)				
Convertible Preference Shares		-	-	-
Weighted average number of Equity Share (Diluted)	(b)	70,964,706	69,583,325	53,635,068
(after converting in Rs. 10 each)				
Profit After Tax (As Restated)	(c)	58.83	473.10	130.02
Less: Preference Dividend		-	-	6.66
Less: Dividend Tax		0.42	0.12	0.93
Profit Distributable to Equity Share Holders	(d)	58.41	472.98	122.43
Earnings per share (EPS) After Split of Equity Shares				
EPS (In Rupees)-Basic (Refer Note 2 below)		**0.82**	**6.80**	**2.28**
EPS (In Rupees)-Diluted (Refer Note 2 below) *		**0.82**	**6.80**	**2.28**
RETURN OF NET WORTH				
Profit After Tax	(a)	58.83	473.10	130.02
Net Worth	(b)	2,541.79	2,482.73	512.92
Return on Net Worth	**(a)/(b)**	**2.31%**	**19.06%**	**25.35%**
NET ASSETS VALUE PER SHARE				
Total Assets	(a)	7,169.83	6,108.84	2,671.85
Total Liabilities	(b)	4,628.04	3,626.10	2,158.93
Net Assets Value (a)-(b)	(c)	2,541.79	2,482.74	512.92
Number of Equity Shares (after converting in Rs.10 each)	(d)	70.96	35.48	30.16
Net Assets Value Per Share (In Rupees)	**(c)/(d)**	**35.82**	**69.97**	**17.01**

Note:

1.The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report.

2. . Basic and Diluted EPS for the period has been worked out taking into account the Bonus shares issued in the ratio of 1:1 during the period ended 30 June 2007

As Per Our Report of Even Date
For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 38440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - III STATEMENT OF CAPITALISATION

Particulars	Ref.	Period ended 30 June 2007 Rs in Million	Post - Issue Rs in Million
Borrowings:			
Short Term Debts		1,395.32	(*)
Long Term Debts		534.67	(*)
Total Debts	*(A)*	1,929.99	(*)
Shareholders Funds			
Share Capital		709.66	(*)
Reserves (Excluding Revaluation Reserve)		1,832.13	(*)
Total Shareholders Funds	*(B)*	2,541.79	(*)
Total Capitalization	*(A+B)*	4,471.78	(*)
Long Term Debt/ Equity Ratio		0.21:1	(*)
Total Debt/ Equity Ratio		0.76:1	(*)

* Information pertaining to post issue capitalization statement can be ascertained only after the conclusion of the book building process

Notes :-

A. Short term debts includes Cash Credit repayable on demand.

B. Long Term Debts includes loans from Companies and Security Deposit

C. Long Term Debt/ Equity Ratio = Total long-term debt/Total shareholders funds

D. Total Debt/ Equity Ratio = Total debt / Total Shareholders Funds

As Per Our Report of Even Date
For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 38440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - IV STATEMENT OF RESERVES & SURPLUS –

PARTICULARS	As At 30-Jun-07 Rs in Million	AS AT MARCH 31, 2007 Rs in Million	2006 Rs in Million
RESERVE & SURPLUS			
SHARE PREMIUM ACCOUNT			
BALANCE AT THE COMMENCEMENT	1,331.58	0.30	-
ADD:- RECEIVED DURING THE YEAR	-	1,331.28	-
	1,331.58	1,331.58	-
GENERAL RESERVE			
BALANCE AT THE COMMENCEMENT	37.99	36.45	20.65
ADD:- TRANSFERRED FROM PROFIT & LOSS A/C	0.90	-	15.80
LESS:- CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	(37.55)	1.54	-
	1.34	37.99	36.45
CAPITAL RESERVE	-	-	-
BALANCE AT THE COMMENCEMENT	101.22	0.31	-
ADD:- CREATED DURING THE YEAR	-	100.91	0.31
	101.22	101.22	0.31
PROFIT & LOSS A/C			
(As per annexed Profit and Loss Account)			
BALANCE BROUGHT FORWARD	657.11	174.56	251.71
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	(317.27)	-	(192.00)
ADD : PROFIT TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	58.15	482.55	114.85
	397.99	657.11	174.56
Gross Total	1,832.13	2,127.91	211.32

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - V STATEMENT OF SECURED LOAN

PARTICULARS	As At	AS AT 31 MARCH,	
	30-Jun-07	2007	2006
	Rs in Million	Rs in Million	Rs in Million
Working Capital facilities from bank			
- Cash Credit From Bank	119.16	117.91	68.89
(Secured against hypothecation of Stock and Book Debts of the			
Company, pledge of the machineries, equitable mortgage of			
the premises of the Company and the personal guarantee of .			
two directors of the Company)			
- Term Loan From Bank	415.51	184.00	465.12
(Secured against equitable mortgage of the company's			
immoveable properties and personal guarantee of			
director(s) of the Company.)			
Total Secured Loans	**534.67**	**301.91**	**534.01**

Note:

The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date

For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta

Partner

M. No. 038440

Mumbai Dated

For and on behalf of the Board of Directors

of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary

Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - VI STATEMENT OF UNSECURED LOAN

PARTICULARS	As At	AS AT MARCH 31,	
	30-Jun-07	2007	2006
	Rs in Million	Rs in Million	Rs in Million
Long Term Loan			
From Companies	858.57	580.45	599.82
Deferred Credits	335	335.00	-
Security Deposits/Advances	200.80	55.18	93.87
From Shareholders/Directors	0.95	1.40	13.65
Total	**1,395.32**	**972.03**	**707.34**

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date

For Anand Mehta & Associates

Chartered Accountants

CA Kulin V. Mehta

Partner

M No. 038440

Mumbai Dated:

For and on behalf of the Board of Directors

of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary

Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - VII STATEMENT OF CURRENT LIABILITIES & PROVISIONS

PARTICULARS	As At 30-Jun-07	AS AT MARCH 31, 2007	2006
CURRENT LIABILITIES	Rs in Million	Rs in Million	Rs in Million
SUNDRY CREDITORS	330.17	703.65	219.62
ADVANCE PAYMENT RECEIVED	1,618.45	1,118.91	426.65
O/D BALANCE IN CURRENT A/C WITH SCH.BANK	1.73	5.00	8.97
OTHER LIABILITIES	245.85	86.69	68.87
SHARE APPLICATION MONEY	3.00	3.00	-
	2,199.21	1,917.26	724.11
PROVISIONS			
FOR TAXATION	400.01	364.56	183.44
FOR TAX ON DIVIDEND	0.42	-	-
FOR DEDUCTION IN UNAPPROVED SALES	8.75	10.36	-
	409.18	374.92	183.44

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - VIII FIXED ASSETS

Particulars	As At 30-Jun-07			As At 31 March 2007			2006		
	Gross	Dep	Net	Gross	Dep	Net	Gross	Dep	Net
LEASEHOLD LAND	1.68	0.12	1.56	1.68	0.12	1.56	1.68	0.08	1.59
LAND	13.93	-	13.93	13.93	-	13.93	-	-	-
PREMISES	431.01	35.10	395.90	197.25	31.39	165.86	129.55	25.61	103.93
PLANT & MACHINERY	139.27	29.73	109.53	125.28	26.01	99.27	66.45	16.64	49.81
FURNITURE & FIXTURES	52.48	12.16	40.31	35.57	10.66	24.91	8.30	6.02	2.29
ELEC. FITTINGS	12.28	4.11	8.17	12.28	3.54	8.73	2.74	2.32	0.43
MOTOR VEHICLE	23.94	12.64	11.30	21.82	11.96	9.86	18.18	9.72	8.47
AIR-CONDITIONER	3.90	2.07	1.83	3.77	2.01	1.76	3.24	1.76	1.48
OFFICE EQUIPMENT'S	25.84	11.90	13.94	21.71	9.91	11.80	13.25	7.10	6.15
OTHER CONSTR. ASSETS	0.79	0.08	0.69	0.79	0.07	0.72	0.06	0.04	0.02
OTHER ASSETS	0.80	0.59	0.21	0.80	0.45	0.35	0.11	0.11	0.00
SOFTWARES	0.08	0.08	-	0.08	0.08	-	-	-	-
TOTAL	705.98	108.60	597.38	434.96	96.21	338.75	243.57	69.40	174.17
CWIP			53.09			259.79			0.55

Note:

The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
Membership No.
38440
Mumbai Dated

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director
Company Secretary
Mumbai Dated:

VASCON ENGINEERS LIMITED

ANNEXURE - IX STATEMENT OF SUNDRY DEBTORS

Particulars	As At 30-Jun-07	As At 31 March 2007	2006
A) OUTSTANDING FOR PERIOD			
EXCEEDING SIX MONTHS			
CONSIDERED GOOD	263.19	274.52	128.81
CONSIDERED DOUBTFUL	6.87	2.40	-
	270.06	276.92	128.81
B) OTHERS - CONSIDERED GOOD	1,010.93	1,087.82	422.39
	1,280.99	1,364.74	551.20
LESS : RESERVE FOR DOUBTFUL DEBTS	6.87	2.40	-
	1,274.12	1,362.34	551.20

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date

For and on behalf of the Board of Directors

For Anand Mehta & Associates

of Vascon Engineers Limited

Chartered Accountants

Managing Director

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - X STATEMENT OF LOANS AND ADVANCES

Particulars	As At 30-Jun-07	As At 31 March 2007	2006
ADVANCE AGST. DEVELOPMENT / WORK PURCHASES	65.28	159.39	130.37
PROJECT ADVANCES	355.92	255.73	0.00
INTERCORPORATE DEPOSITS	203.53	154.40	139.31
BALANCE IN CURRENT ACCOUNT WITH PARTNERSHIP FIRMS	5.00	5.00	0.00
PREPAID EXPENSES	25.75	29.97	10.00
OTHER CURRENT ASSETS & RECEIVABLES	1026.14	454.40	0.00
DEPOSITS	205.79	195.02	61.01
ADVANCE PAYMENT OF INCOME TAX & TDS	389.55	290.95	157.71
Total	2276.97	1544.85	498.40

Note:
The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date

For and on behalf of the Board of Directors
of Vascon Engineers Limited

For Anand Mehta & Associates

Chartered Accountants

Managing Director

CA Kulin V. Mehta
Partner
Membership No. 38440
Mumbai Dated

Director Director

Company Secretary
Mumbai Dated

VASCON ENGINEERS LIMITED

ANNEXURE - XI STATEMENT OF OTHER INCOME

PARTICULARS	Period ended	FOR THE YEAR ENDED MARCH 31,	
	30-Jun-07	2007	2006
	Rs in Million	Rs in Million	Rs in Million
Income From Investment			
Dividend Received	0.84	7.11	0.57
Profit On Sale Of Investments (Net)	0.13	0.53	28.26
Interest Earned	6.37	8.62	10.69
Others			
Compensation	-	-	1.20
Profit On Sale Of Fixed Assets (Net)	-	21.31	3.09
Hire Charges Received	-	-	0.02
Difference Written Off	-	1.42	0.03
Sale Of Scrap	-	0.38	2.93
Miscellaneous Income	1.42	2.35	0.47
Service Charges Reimbursement	-	0.05	-
Total	**8.76**	**41.76**	**47.26**

Note:

The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M. No. 038440
Mumbai Dated:

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director Director

Company Secretary
Mumbai dated:

VASCON ENGINEERS LIMITED

ANNEXURE –XII STATEMENT OF TAX SHELTERS

Particulars	Ref.	Period ended June 2007	FOR THE YEAR ENDED MARCH 31, 2007	2006
		Rs. In Millions	Rs. In Millions	Rs. In Millions
Restated Profit before taxes	A	113.38	677.58	228.05
Tax rate (%)	B	33.99%	33.66%	33.66%
Tax impact	C=(A*B)	**38.54**	**228.07**	**76.76**
Adjustments				
Permanent Difference				
Benefit U/s 80IA		(1.67)	(78.20)	-
Benefit U/s 80IB		-	(1.71)	-
Profit on sale of Investments/Fixed Assets		-	(21.31)	(28.55)
Exempted Income U/s 10		(3.34)	(7.98)	(0.57)
Expenses attributable to earning Tax Free income		-	0.18	0.12
Share Issue Expenses		-	8.56	4.13
Repair and Maintenance not written off earlier		-	0.02	-
Interest on Dividend Distribution Tax Disallowed		-	-	0.04
Property Tax		-	0.19	0.59
Other expenses not allowable as no business started		0.03	0.08	-
Sales / work (Tenant Building)		-	0.69	-
Donation Disallowed under the Act		0.57	1.98	0.24
Total	D	(4.41)	(97.50)	(24.00)
Temporary Difference				
ESIC Employee Contribution u/s 2(24)		-	-	-
Difference between book depreciation and tax depreciation		1.22	4.66	2.69
Carry forward losses and unabsorbed depreciation		-	-	-
Deduction u/s 35D		-	0.16	-
Preliminary Expenditure		-	-	0.01
Profession Tax paid u/s 43B		-	-	-
Leave encashment u/s 43B		5.42	8.48	4.77
ESIC Employee Contribution u/s 43B(b)		-	-	-
Provision for Bad debts		4.47	2.40	-
Merger expenses		-	-	-
Other Disallowances u/s 40a		2.10	10.59	1.51
Total	E	13.21	26.29	8.98
Net adjustments	F = D + E	8.80	(71.21)	(15.02)
Tax saving on Net Adjustments	G = F*B	2.99	(23.97)	(5.06)
Tax Liability, after considering the effect of adjustments	H = C - G	41.53	204.10	71.71
Taxable income (Book Profits) as per MAT*	I	113.38	583.02	233.21
MAT Rate	J	11.22	11.22	8.42
Tax Liability as per MAT	K = I*J	12.73	65.42	19.62
Tax liability being higher of "H" &" K" above	L	41.53	204.10	71.71
Interest payable under the Act	M	-	9.75	3.56
Tax Payable for the year	N = L + M	41.53	213.86	75.27

Note: The above statement should be read with the Significant Accounting Policies and Selected Notes on Accounts for Restated Summary Statements as appearing in Schedule 1 to this report

As per our report of even date
As Per Our Report of Even Date
For Anand Mehta & Associates
Chartered Accountants

CA Kulin V. Mehta
Partner
M.No. 038440
Mumbai Dated::

For and on behalf of the Board of Directors
of Vascon Engineers Limited

Managing Director

Director

Director

Company Secretary
Mumbai Dated:

SCHEDULE 1:

SCHEDULE REFERRED TO AND FORMING PART OF SUMMARY CONSOLIDATED FINANCIAL STATEMENTS AS RESTATED FOR THE PERIOD ENDED 30 JUNE 2007, FINANCIAL YEARS 2005-06 AND 2006-07

I. NATURE OF OPERATIONS

Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as the Group) is engaged in the business of construction contracts and development of residential and commercial projects, Industrial parks and Hotels as well as operating and maintenance of the Industrial park/Hotels/Service Apartments/Malls. The Group has spinned off development projects at various stages of completion to another parties/Special Purpose Vehicle as a part of its strategy to optimise its resources/returns and minimise risks, where the Group continues to associate either as a partner and/or a contractor.

II. PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

1. The accompanying Consolidated Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in conformity with accounting principle generally accepted in India to reflect the financial position of the company its Subsidiaries and Joint Ventures.

2. The consolidated financial statements have been prepared on the following basis:

   a) In respect of Subsidiary Companies, the Financial Statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions in accordance with the Accounting Standard-21 'Consolidated Financial Statements' .

   b) In case of Joint Venture Companies, the Financial Statements have been consolidated in accordance with the Accounting Standard-27 'Financial Reporting of Interests in Joint Ventures'.

   c) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investment in associates are accounted for using equity method in accordance with the Accounting Standard-23 "Accounting for investments in associates in consolidated financial statements".

   d) Investments other than its subsidiaries and associates have been accounted in accordance with Accounting Standard-13 on "Accounting for Investments".

   e) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviation if any have been made in consolidated financial statements and are prepared in the same manner as the Company's standalone financial statements.

   f) The excess of the cost to the company of its investments in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the Consolidated Financial Statements as Goodwill. The Company's portion of the equity in the subsidiaries as at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and adjusting the charge/ (reversal) on account of realignment to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.

   g) Minority Interest's share of net profit/ loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.

   h) Minority Interest's share of net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

   i) The Subsidiary Companies, Associates and Joint Ventures considered in Consolidated Financial Statement are as under.

For the Financial Year 2005-06

Name of the company	Relationship	Country of Incorporation	Shareholding As at March 31, 2006
Marvel Housing Private Limited	Subsidiary	India	100 %
Clover Resorts Private Limited	Subsidiary	India	100 %
Phoenix Ventures (AOP)	Joint Venture	India	50 %
Zenith Ventures (AOP)	Joint Venture	India	Refer Note V 9
Zircon Ventures (AOP)	Joint Venture	India	Refer Note V 9
Ajanta Enterprises (Partnership Firm)	Associates	India	30 %

For the Financial Year 2006-07

Name of the company	Relationship	Country of Incorporation	Shareholding As at March 31, 2007
Marvel Housing Private Limited	Subsidiary	India	100 %
Vascon Dwelling Private Limited	Subsidiary	India	100 %
Cosmos Premises Private Limited	Subsidiary	India	80 %
IT-City Infopark Private Limited	Subsidiary	India	100 %
Windflower Properties Private Limited	Subsidiary	India	100 %
Rose Premises Private Limited	Subsidiary	India	100 %
Calypso Premises Private Limited	Subsidiary	India	63 %
Floriana Properties Private Limited	Subsidiary	India	70 %
Just Homes (I) Private Limited	Joint Venture	India	50 %
Marigold Premises Private Limited	Joint Venture	India	50 %
Phoenix Ventures (AOP)	Joint Venture	India	50 %
Vascon Hadapsar Ventures	Joint Venture	India	50 %
Viorica Properties Private Limited	Joint Venture	India	37.50 %
Weikfield IT City Info Park (AOP)	Joint Venture	India	Refer Note V 9
Zenith Ventures (AOP)	Joint Venture	India	Refer Note V 9
Zircon Ventures (AOP)	Joint Venture	India	Refer Note V 9
Syringa Properties Private Limited	Associates	India	50 %
Angelica Properties Private Limited	Associates	India	26 %
Mumbai Estate Private Limited	Associates	India	50 %
Ajanta Enterprises	Associates	India	30 %

For the Period ended June 30, 2007

Name of the company	Relationship	Country of Incorporation	Shareholding As at June 30, 2007
Marvel Housing Private Limited	Subsidiary	India	100 %
Vascon Dwelling Private Limited	Subsidiary	India	100 %
Cosmos Premises Private Limited	Subsidiary	India	90 %
IT-City Infopark Private Limited	Subsidiary	India	100 %
Windflower Properties Private Limited	Subsidiary	India	100 %
Rose Premises Private Limited	Subsidiary	India	100 %
Calypso Premises Private Limited	Subsidiary	India	63 %
Floriana Properties Private Limited	Subsidiary	India	70 %
Vascon Pricol Infrastructure Limited	Subsidiary	India	70 %
Just Homes (I) Private Limited	Joint Venture	India	50 %
Marigold Premises Private Limited	Joint Venture	India	50 %
Phoenix Ventures (AOP)	Joint Venture	India	50 %
Viorica Properties Private Limited	Joint Venture	India	37.50 %
Weikfield IT City Info Park (AOP)	Joint Venture	India	Refer Note V 9
Zenith Ventures (AOP)	Joint Venture	India	Refer Note V 9
Zircon Ventures (AOP)	Joint Venture	India	Refer Note V 9
Syringa Properties Private Limited	Associates	India	50 %
Angelica Properties Private Limited	Associates	India	26 %
Mumbai Estate Private Limited	Associates	India	50 %
Ajanta Enterprises	Associates	India	30 %

III. NOTES ON ADJUSTMENTS FOR RESTATED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Restatement

Below mentioned is the summary of the results of restatement made in the audited accounts for the respective period, and years and its impact on the profit of the Group.

Rs.in million

Particulars of Adjustments	Refer Note	Jun-07	2007	2006
A. Adjustment on Account of Restatement				
Unbilled Revenue	III 2 b		(1.99)	0.20
Intangible Asset	III 2 c		0.02	(0.02)
Depreciation	III 3 b		0.14	2.23
Share of Profit from Jointly Controlled Entities	III 3 c		-	1.24
Prior period adjustments	III 3 d		-	(0.42)
Total of Adjustments (A)			**(1.83)**	**3.23**
B. Tax Impact on Adjustment				
Current Tax Impact of Adjustments	III 3 e		0.32	0.18
Deferred Tax Impact of Adjustments	III 3 e	(10.05)	(0.07)	0.11
Deferred Tax – Restatement	III 3 e		9.81	(0.50)
Total of Tax Impact (B)		(10.05)	**10.06**	**(0.21)**
Adjustments in Appropriation				
Dividend	III 3 f		-	4.00
Dividend tax	III 3 f		-	0.27

2. Changes in Accounting Policies and Estimates

a) Retirement and other employee benefits

Leave encashment

For and up to the year ended March 31, 2006, the Group had provided for liability towards accumulated leave based on leave balance standing to the credit of employees as of the balance sheet date. For the period ended June 30, 2007 and for the year ended March 31, 2007, the Group had made provision for leave encashment based on an actuarial valuation, as prescribed by Accounting Standard-15 (Revised 2005) 'Employee Benefits'

This standard is applicable to the Group with effect from April 1, 2007. However, the Group has decided to voluntarily adopt Revised AS-15 with effect from April 1, 2006. No adjustments have been made for earlier period since in the opinion of the Company the impact of the same is not ascertainable.

b) Revenue Recognition in respect of Construction Contracts

In audited financial statements for the year ended March 31, 2006 the revenue in respect of construction contracts was recognized in accordance with Accounting Standard 7 (Revised 2003) taking into account estimated total cost and revenues and percentage of completion as at respective year end. In respect of those projects which were completed during the period up to March 31, 2007, the revenue has been restated by substituting the figures of actual cost and revenue with the figures of estimated revenue and cost taken to determine the recognition of revenue for those respective years.

c) Intangible Assets

In the Balance Sheet for the year ended March 31, 2006, the Group had considered certain items as deferred revenue expenses and written off to the Profit and Loss Account over a period up to 3 years. Accordingly, the same has been written off in the respective years in which the same was incurred. However, in case of such expenditure which has been incurred prior to 1.4.2005, the same has been appropriately adjusted in the Accumulated Profit and Loss balance as at April 1, 2005.

3. Other Adjustments

a) Paid-up Capital

During the year ended 31st March, 2006, the Company has split the existing Share Capital from face value of Rs.100/- each to Rs. 10/- each.

b) Depreciation on fixed assets

Depreciation on fixed assets has been recomputed at appropriate rates and restated in relevant accounting periods.

c) Share of Profit from Jointly Controlled Entities :

The financial statements for the year ended March 31, 2007 were finalized by incorporating the share of profit/loss of certain non-corporate Jointly Controlled Entities based on the information available as on the date of the finalization of financial statements. However, subsequently, the share of profit/loss of such entities determined based on their respective audited financial statements and accordingly, the same are restated in the summary financial statements.

d) Prior Period Items

In the Profit and Loss Account for the period ended June 30,2007, year ended March 31, 2007 and 2006 the Group had classified certain items of income / expense as prior period. In the Summary Statement of Profits and Losses, the said income / expenses have been appropriately adjusted in the respective years.

e) Tax adjustments.

The profit and loss as restated is adjusted for the tax impact (current/deferred) on account of restatement of certain income and expenditure. This also includes effect of the deferred tax on account of re-computation for the period ended June 30, 2007 and for the year ended March 31, 2007 and 2006.

f) Dividend & Dividend Tax

Short provision of Preference Dividend during the years prior to March, 31, 2006 was provided during the year ending March 31, 2006 and short provision of Dividend tax during the years prior to March 31, 2006 was provided in the year March 31, 2006. The effect of the same has been restated to give effect in the year for which it pertains and as at April 1, 2005.

4. Material Regrouping

a) Deposits/Prepaid Expenses/ Other Receivables:

The deposits kept with various governmental and other authorities, prepaid expenses and other receivables during the year ended March 31, 2006, were disclosed under Other Current Assets. The same have been in the restated Summary Statement of Assets and Liabilities, for the years ended March 31, 2006 has been regrouped and disclosed under Loans and advances instead of Other Current Assets.

b) Balances in current account with Partnership Firms/AOP

The balances in current account with Partnership Firms/AOP were classified under the head Unsecured Loans in some of the years. The same have been regrouped appropriately in the Restated Summary Financial Statements.

c) Income from Management Fees and other operating income

Income from Management Fees and share of income from AOP/Firms were grouped under Other Income. The same have now been regrouped under Operating Income in the Profit and Loss Account.

d) Capital work in progress transferred to Inventories

During the period ended June 30, 2007 , one of the Joint venture have regrouped a fixed asset item into inventories and the respective item has been restated accordingly in relevant years.

5. Profit And Loss As At April 1, 2005 (Restated)

Particulars	Note	Amount Rs. In Million
Profit and Loss account as at April 1, 2005 (Audited)		213.59
Unbilled Revenue	III 2 b	1.79
Depreciation on fixed assets	III 3 b	(0.75)
Share of Profit and Loss from JV's and Associates reverted	III 3 c	(1.24)
(Short)/Excess Provision of Tax for prior periods	III 3 d	(0.84)
Deferred Tax Provision	III 3 e	0.70
Profit and Loss account as at April 1, 2005 (Restated)		213.24

IV. ACCOUNTING POLICIES FOR THE PERIOD ENDED JUNE 30, 2007.

1. Basis of Preparation of Financial Statement

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Group.

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed Assets

Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of Accounting Standard 16 "Borrowing Cost".

Intangible assets are recognised only if it meets with all the criteria specified in Accounting Standard 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India In other cases such expenditure is written off during the period in which it is incurred.

4. Impairment

The assets are tested for impairment and the provision, if applicable, is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in Accounting Standard 28 "Impairment of Assets".

5. Depreciation

Depreciation on fixed assets has been provided under written down value method and manner at the rates prescribed in schedule XIV to the Companies Act, 1956. In respect of lease assets, the cost is depreciated over the lease period.

6. Investments

Investments are classified as current or long term based on the intention of management as regards their holding period. Long Term Investments are stated at cost of acquisition. Provision has been made in respect of diminution in the value of investments if it is considered as permanent in nature by the management. Current Investments are valued at lower of Cost or Net Realizable Value. The Profit/Loss on sale of investments is dealt with at the time of actual sale. Investments in Partnership firm(s) / Association of Persons are stated at the book value.

7. Recognition of Revenue

a) Revenue (net of retention) from fixed price construction contracts is recognised on the percentage completion method. The stage of completion is determined by survey of work perform and or on completion of physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure. In respect of uncertified revenue recognised, an adequate provision is made for possible reductions, if any. Retentions are recognised only when it becomes due as per the terms of the contract

b) Revenue from sale of units is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection.

c) Share of Profit/Loss from Partnership firm/ Association of Person is recognized as income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement..

d) Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

e) Dividend Income – Dividend income is recognized as and when the right to receive the same is established

f) Rental Income - Income from letting-out of property is accounted on accrual basis- as per the terms of agreement and the right to receive the rent is established.

g) Other Operating Income – The revenue from Hotel, Game Shop and Maintenance are recognized as and when the services are availed by the customers.

8. Inventories

a) Stock of Material, etc

Stock of materials, etc. has been valued at lower of cost or net realizable value. The Cost is determined on FIFO basis.

b) Development work

The development work in progress represents progressive cost of work remaining incomplete / unsold as at close of the year, valued at lower of cost or net realizable value on the basis of technical estimate certified and verified by Director/Expert.

c) Stock of Resale

Stock of Resale has been stated at cost or net realizable whichever is less

9. Retirement Benefits

a) Retirement benefits in the form of Provident Fund are in the form of Defined Contribution Scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.
b) Gratuity liability under the Payment of Gratuity Act is Defined Benefit Obligation and is provided on the basis of an actuarial valuation made at the end of each financial year.
c) Compensated absences are provided for based on actuarial valuation.
d) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

10. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use or sale and other borrowing costs are charged to Profit & Loss Account.

11. Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Profit and Loss Account as incurred. Lease rentals in respect of assets given under operating lease are credited to the Profit and Loss Account as accrued.

12. Contingent Liabilities

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialized after the year-end but before finalization of accounts and have material effect on balance sheet date.

13. Income Tax

Taxes on Income are accounted in accordance with Accounting Standard – 22 "Taxes on Income". Taxes on Income comprise both current tax and deferred tax. Current tax comprises of tax payable on income and fringe benefit tax.

a) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.
b) Deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s).This is measured using substantively enacted tax rate and tax regulation.

14. Joint Venture Projects

a) *Jointly Controlled Operations*:

In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

b) Jointly Controlled Entities

Integrated Joint ventures

Company's share in profits or losses of Integrated Joint Ventures is accounted on determination of the profits or losses by the joint venture.

Investments in Integrated Joint Ventures are carried at cost net of company's share in recognised profits or losses.

Incorporated Jointly Controlled Entities

Income on investments in incorporated Jointly Controlled Entities is recognised when the right to receive the same is established

15. Foreign currency transaction

In accordance with the Accounting Standard – 11 "Accounting for Effect of Changes in Foreign Rates":

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Difference

All exchange differences arising on settlement and conversion on foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets from outside India, in which case they are adjusted in the cost of the corresponding assets

16. Earnings Per Share

In accordance with the Accounting Standard – 20 "Earning Per Share" :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

17. Provisions

In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets":

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

18. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

V. OTHER NOTES

1. During the year ended March 31, 2005, 2004 and 2003, the Company did not have subsidiary and accordingly, the Consolidation of Financial Statement under Accounting Standard-21 was not applicable and consequently the Consolidated Financial Statements have not been prepared for the Consolidation of Joint Ventures during those years.

2. Contingent Liabilities :

   a) It has not been considered necessary to make a provision in respect of Income-Tax demands not accepted by company for the amounts mentioned here below as the same have been disputed by the company in Appeal before higher authorities.

Rs. In Million

Year	June 30, 2007	2006-07	2005-06
Amount	29.07	28.37	6.77

   b) Other Contingent liabilities:

Year	June 30, 2007 Rs. In Million	2006-07 Rs. In Million	2005-06 Rs. In Million
A. Bank guarantee - (i) for other companies	-	-	2.00
(ii) for Performance	-	-	30.90
B. Corporate Guarantee	79.83	89.58	6.00
Claims against the Company not acknowledged as debt	-	-	1.46

3. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances are as given here under :

Year	June 30, 2007 Rs. In Million	2006-07 Rs. In Million	2005-06 Rs. In Million
Amount	66.66	18.71	-

4. Particulars of Construction Contract

Year	June 30, 2007 Rs. In Million	2006-07 Rs. In Million	2005-06 Rs. In Million
Contract Revenue Recognised	421.65	1,196.41	1,360.88
Contract Expenses Recognised	352.48	1,125.01	899.06
Recognised Profit	69.17	71.40	461.82
Contract Cost Incurred	352.48	1,125.01	899.06
Progress Billing	179.76	1,073.03	1,279.59
Unbilled Contract Revenue Recognised	241.89	123.38	81.29
Advances from Customers	628.93	253.28	124.44
Contract Cost Incurred and Recognised Profit	421.65	1,196.41	1,360.88
Gross Amount Due from Customer	330.47	623.73	550.98

5. The Group has acquired land/development rights for its various projects under Single Joint Venture agreements. As per such Agreements the Group has to work out the consideration for acquisition of land/ development rights on the basis of sale proceeds at the time of receipts of the such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Group or by the vendor, except to the extent of non refundable amount of Rs. 25 million (paid during the year 2006-07) which has been accordingly debited to the land cost. In view of the nature of these agreements, as a policy, the company will either reduce the proceeds or add to the cost the aforesaid consideration amount and account for the profit in the respective year to the extent of sale by the Group. All monies received from the buyer

and paid to the vendor earlier to this event will be considered advances received and paid, respectively.

6. Sales turnover for the year includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and sales of projects spin off during the year.

7. Amalgamation of Clover Resort Pvt. Ltd. with Vascon Engineers Ltd.

Pursuant to the Scheme of Amalgamation approved by the shareholders of the Company and the Honorable High Court of Judicature at Bombay, vide its order dated January 19, 2007, all assets and liabilities and reserves of erstwhile Clover Resorts Private Limited wholly owned subsidiaries of the Company having been vested in the Company from April 1, 2006 as per scheme of amalgamation sanctioned by the High Court, have been incorporated in these accounts.

Salient Features of the Amalgamation Scheme are detailed below:

a) Name and general nature of business of Transferor Company: Clover Resorts Pvt. Ltd.
b) Appointed date of amalgamation for accounting purpose: April 1, 2006
c) Method of accounting used to reflect the amalgamation: Purchase Method
d) Particulars of Scheme sanctioned by the statue:

i) With effect from April 1, 2006 the entire business and undertaking including all assets and liabilities of Clover Resort Pvt. Ltd. and rights and obligations, all books of account and documents and records relating thereto, are transferred to the Transferee Company pursuant to Section 394 (2) of the Companies Act,1956; and
ii) With effect from the Appointed Date, all proceedings, if any, pending by or against Clover Resort Pvt. Ltd. be continued by or against the Transferee Company; and

Consequent to giving effect to this scheme, the company's investment in the Share Capital of Clover Resort has been cancelled against Share Capital of Clover Resort Pvt. Ltd.

8. The revenue from construction contracts is recognized on the basis of the bills approved by the Customer up to the year ending March 31, 2006. During the period ended June 30, 2007 and year ended 31st March, 2007, in absence of information available at the time of finalization of the accounts in respect of approval of the bills by the customer, the company has made a provision based on historical data at Rs.8.74 million & Rs.10.36 million respectively, towards short approvals, if any. The necessary adjustments, if any, will be carried out in the accounts for the subsequent year.

9. The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures, Weikfield ITCITI Infopark and Zenith Ventures for the period ended June 30 2007 and for the year ended March 31 2007 and Zircon Ventures and Zenith Ventures for the year ended March 31, 2006. The Jointly Controlled Entities (JCE) where in the share of the Company’s assets and liabilities in such JCE are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.

10. During the year March 31, 2006, the Company acquired 100% shareholding of Clover Resorts Private Limited (CRPL) with a view to acquire the underlying assets of CRPL and accordingly, the cost of such acquisition was carried under the head Inventories in the stand alone financial statements of the Company. CRPL was subsequently merged with the Company effective from 1.4.2006. While consolidating the financial statements of CRPL, the value of amount paid for such acquisition in excess of the share capital of CRPL was accordingly classified as inventory.

11. During the period ended June 30, 2007 the Group acquired 70% shareholding in Vascon Pricol Infrastructure Ltd.

12. During the period ended June 30, 2007, Vascon Hadapsar Venture, a firm in which the Company was a partner, the other partner has retired and the business of the firm has been continued by the Company.

13. Segment Information

The Group's operations predominately consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the report, the Group has engaged in its business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

14. Related Party Disclosure

The particulars of Related Parties as required under Accounting Standard-18 "Related Party Transactions" are given in Annexure 1A and 1B to these Notes.

15. Accounting for taxes

The break up of deferred tax liabilities/asset arising due to timing difference is as under:

Year	**June 30, 2007** Rs. In Million	**2006-07** Rs. In Million	**2005-06** Rs. In Million
1. Depreciation	23.12	13.16	12.15
2. Statutory Payment – Leave Encashment	(1.84)	(2.88)	(1.61)
3. Reserve for doubtful debts	(1.52)	(0.82)	-
4. Disallowance U/S 40a	(0.71)	(3.60)	(0.51)
5. Long Term Capital Loss	(3.84)	-	-
Net Deferred Tax Liability as per Restated	**15.21**	**5.86**	**10.03**

In absence of a reasonable certainty of setting off brought forward capital losses, the deferred tax asset amounting to Rs.0.01 million has not been recognized.

16. Leases:

The Group's significant leasing arrangements are in respect of operating leases for commercial and residential premises.

Lease Income from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are given in Schedule 3 to these notes

Year	**June 30, 2007** Rs. In Million	**2006-07** Rs. In Million	**2005-06** Rs. In Million
Gross Carrying Amount of Premises	26.73	26.73	52.56
Accumulated Depreciation	2.38	2.07	1.35
Depreciation for the year	0.31	2.09	1.35

Future minimum lease payment under non-cancellable operating leases:-

Year	**June 30, 2007** Rs. In Million	**2006-07** Rs. In Million	**2005-06** Rs. In Million
A) Not later than 1 year	3.42	10.61	3.42
B) Later than 1 year and not later than 5 years	2.61	1.43	4.85
C) Later than 5 years	-	-	-

Profit and Loss Account includes Lease Income in respect of certain premises which are held as stock in trade with an intention to sale. The provision of Accounting Standard 19 'Accounting for Leases' do not apply to such Lease Agreements of premises held with an intention to sale. Accordingly, the above statement does not include such transactions further the underlying premises are held as Stock In Trade.

17. Share of Joint Venture in Consolidated Financial statement are as under:

Profit and Loss Account Items for the period ended June 30, 2007 and year ended March 31, 2007 & 2006

PARTICULARS	June 30, 2007 Rs. In Million	2007 Rs. In Million	2006 Rs. In Million
INCOME			
Sales	123.73	469.33	1,371.03
Other Operating Income:	-	-	-
Rent/Compensation	4.43	11.94	10.71
from Resort/Multiplex	4.88	13.50	-
Share of Profit from AOP/ Firm	1.38	70.38	1.59
OTHER INCOME	3.92	4.02	47.26
Expenses	-	-	-
Cost of Sales	98.80	145.40	24.02
Employees Remuneration & Welfare Expenses	0.13	2.19	-
Office & Establishment Expenses	7.27	18.34	2.34
Finance Cost	0.06	0.07	0.34
Depreciation	0.12	0.16	-
Provision For Taxation	-	-	-
Current	5.58	13.71	-
Fringe Benefit Tax	0.01	0.01	-
Deferred tax expenses / (gain)	(0.03)	(0.01)	-
Excess/(Short) Provision W/Back / (Off)	-	0.01	-
Transfer to the Investment account	-	251.63	(8.23)
Appropriation	-	-	-
Dividend paid/proposed	-	-	-
Dividend Tax	-	0.12	-
Transfer to General Reserve	-	1.55	-

Balance sheet Items as at period ended June 30, 2007 and year ended March 31 2007 & 2006

PARTICULARS	June 30, 2007 Rs. In Million	2007 Rs. In Million	2006 Rs. In Million
Secured Loans	5.52	6.82	-
Unsecured Loans	2.30	86.21	73.43
Deferred Tax Liability	-	0.00	-
Fixed Assets	1.65	1.66	-
Investment	65.34	21.15	9.69
Deferred Tax Asset	0.05	0.03	-
Inventories	575.79	713.08	220.10
Sundry Debtors	16.29	14.42	9.71
Cash & Bank Balances	32.29	115.30	7.14
Loans & Advances	731.89	434.14	6.31
Current Liabilities	1093.42	998.74	156.54
Provisions	31.78	25.96	0.01

As per our Report of even date
For Anand Mehta & Associates
Chartered Accountants

For Vascon Engineers Limited

Mg Director

CA Kulin V. Mehta
Partner
M.No 038440

Director Director

Company Secretary

Mumbai: Dated

Mumbai: Dated

VASCON ENGINEERS LIMITED

ANNEXURES REFERRED TO AND FORMING PART OF SCHEDULE 1 TO SUMMARY RESTATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2007 AND FOR THE FINANCIAL YEAR 2005-06 & 2006-07

ANNEXURE 1 A:

List of Related Parties and nature of relationship is as under

Particulars	Period ended 30-Jun-07	FOR THE YEAR ENDED MARCH 31, 2007	2006
Nature of Relationship	Name of Party	Name of Party	Name of Party
Joint Venture	*Just Home (I) Pvt. Ltd.*	*Just Home (I) Pvt. Ltd.*	*Phoenix Ventures*
	Marigold Premises Pvt. Ltd.	*Marigold Premises Pvt. Ltd.*	*Zenith Ventures*
	Phoenix Ventures	*Phoenix Ventures*	*Zircon Ventures*
	Viorica Properties Pvt Ltd	*Vascon Hadapsar Ventures*	
	Weikfeilds ITCITI	*Viorica Properties Pvt Ltd*	
	Zenith Ventures	*Weikfeilds ITCITI*	
	Zircon Ventures	*Zenith Ventures*	
		Zircon Ventures	
Key Management Personnel	*Mr. R. Vasudevan*	*Mr.R.Vasudevan*	*Mr.R.Vasudevan*
Relatives of Key Management Personnel	*Lalitha Sundarrajan*	*Lalitha Sundarrajan*	*Lalitha Vasudevan*
	Lalitha Vasudevan	*Lalitha Vasudevan*	*N. R. Moorthy*
	N. R. Moorthy	*N. R. Moorthy*	*Thangam Moorthy*
	Siddarth Vasudevan	*Siddarth Vasudevan*	
	Thangam Moorthy	*Thangam Moorthy*	
Associates	*Ajanta Enterprises*	*Ajanta Enterprises*	*Marigold Premises Pvt. Ltd.*
	Angelica Properties Pvt Ltd	*Angelica Properties Pvt Ltd*	*Ajanta Enterprises*
	Mumbai Estate Pvt Ltd	*Mumbai Estate Pvt Ltd*	*Marigold Construction*
	Syringa Properties Pvt Ltd	*Syringa Properties Pvt Ltd*	*H.U. Khinvsara*
Enterprise where key management	*Core Fitness Pvt Ltd*	*Core Fitness Pvt Ltd*	*Golden Dwellings P. Ltd*
personnel and their relatives exercise	*Flora Premises Pvt Ltd*	*Flora Premises Pvt Ltd*	*Vastech Associates*
significant influence	*Iris Properties Private Limited*	*Iris Propeties Private Limited*	*Vatsalya Enterprises (P) Ltd*
	One Stop Shop (I) Pvt Ltd	*One Stop Shop (I) Pvt Ltd*	*Novacare Drug Speacilities (P) Ltd*
	Vastech Associates	*Vastech Associates*	*Nagaon Resorts P. Ltd.*
	Vastech Consultants Pvt Ltd	*Vastech Consultants Pvt Ltd*	*IT Citi Infopark P. Ltd.*
			Vastech Consultants Pvt. Ltd.
			Iris Properties Pvt. Ltd.
			One Stop Shop (I) Pvt Ltd
			Golden Nest Developers Pvt. Ltd.
			Core Fitness Pvt. LTd.
Subsidiary	*Calypso Premises Pvt Ltd*	*Calypso Premises Pvt Ltd*	*Marvel Housing Pvt Ltd*
	Cosmos Premises Pvt Ltd	*Cosmos Premises Pvt Ltd*	*Clover Resorts Pvt. Ltd.*
	Floriana Properties Pvt Ltd	*Floriana Properties Pvt Ltd*	
	IT CITi Info Park Pvt Ltd	*IT CITi Info Park Pvt Ltd*	
	Marvel Housing Pvt Ltd	*Marvel Housing Pvt Ltd*	
	Rose Premises Pvt Ltd	*Rose Premises Pvt Ltd*	
	Vascon Dwellings Pvt Ltd	*Vascon Dwellings Pvt Ltd*	
	Windflower Premises Pvt Ltd	*Windflower Premises Pvt Ltd*	
	Vascon Pricol Infrastructure Ltd		

VASCON ENGINEERS LIMITED

ANNEXURES REFERRED TO AND FORMING PART OF SCHEDULE 1 TO SUMMARY RESTATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2007 AND FOR THE FINANCIAL YEAR 2005-06 & 2006-07

ANNEXURE 1 B:

Details of Transactions with Related Parties and Details of Outstanding balances

PARTICULAR	Period ended	FOR THE YEAR ENDED MARCH 31,	
	30-Jun-07	2007	2006
Sales			
Joint Venture	10.55	(33.67)	107.88
Key Management Personel	-	-	-
Relatives of KMP	-	0.30	-
Associates	81.05	-	19.75
Establisment in which KMP Interested	-	-	25.67
Individuals & Entities having	-	-	-
Significant Control over the company	-	13.54	-
Purchases & Labour Charges	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	17.91	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	90.40	(5.28)
Rendering Of Services to the Company	-	-	-
Joint Venture	-	146.03	-
Key Management Personel	6.19	6.45	12.26
Relatives of KMP	0.21	0.96	0.77
Associates	-	-	-
Establisment in which KMP Interested	0.02	25.54	2.09
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Rental/Hire Charges Paid	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	0.21	2.00
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Rent Income	-	-	-
Joint Venture	-	1.36	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	-	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	-
Purchase of Fixed Assets	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-

PARTICULAR	Period ended	FOR THE YEAR ENDED MARCH 31,	
	30-Jun-07	2007	2006
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	-	52.56
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	(72.88)
Sale of Fixed Assets	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	0.76	0.61
Relatives of KMP	-	-	-
Associates	-	1,000.00	-
Establisment in which KMP Interested	-	0.44	4.92
Individuals & Entities having	-	-	-
Significant Control over the company	-	-	4.50
Interest Paid	-	-	-
Joint Venture	-	-	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	-	-	-
Establisment in which KMP Interested	-	-	-
Individuals & Entities having	-	-	-
Significant Control over the company	-	1.24	-
Interest Income	-	-	-
Joint Venture	1.65	2.13	-
Key Management Personel	-	-	-
Relatives of KMP	-	-	-
Associates	0.01	0.14	-
Establisment in which KMP Interested	-	-	1.00
Individuals & Entities having	-	-	-
Significant Control over the company	0.40	0.51	-
Balances as on 31.03.2007 and 2006	-	-	-
Amount Due To Company	-	-	-
Joint Venture	228.73	327.72	20.69
Key Management Personel	-	0.45	-
Relatives of KMP	-	14.82	1.05
Associates	202.92	240.87	-
Establisment in which KMP Interested	18.01	15.38	15.35
Individuals & Entities having	-	-	-
Significant Control over the company	-	(26.54)	9.71
Amount Due From Company	-	-	-
Joint Venture	56.14	(121.80)	178.07
Key Management Personel	-	-	0.73
Relatives of KMP	-	-	-
Associates	-	-	31.32
Establisment in which KMP Interested	-	34.12	21.98
Individuals & Entities having	-	-	-
Significant Control over the company	-	169.65	50.33

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 ix and page x, respectively, of this Draft Red Herring Prospectus.

Overview

We are an engineering, procurement and construction services and real estate development company with operations in a number of states and union territories in India. We believe in providing high quality and innovative projects on a timely basis. We provide all of our EPC services and we develop real estate directly or through our Subsidiaries and Other Development Entities. Directly or through our Subsidiaries and Other Development Entities, we also own three hospitality properties and own and operate a shopping mall and office complex. Our Subsidiaries and Other Development Entities engage our Company to provide EPC services for the development of their projects and independently, we also provide EPC services to third parties.

We commenced our business and operations primarily as an EPC company in 1986, however, in the past few years have diversified into real estate development and owning and operating selected projects. According to a survey conducted by the Construction World publication in June 2007, we are amongst the top 10 builders in India, based on parameters such as size, brand or image, quality of construction, goodwill, innovative product offerings, social obligations and commitments, use of technology and best business practices. Our operations span across all aspects of real estate development, from identification and acquisition of land to EPC and sales and marketing of our project, to operation of our completed projects.

We have significant experience in engineering, procurement and construction, and have constructed factories, hospitals, hotels, office and residential complexes, shopping malls, multiplexes, IT parks and other buildings. We provide EPC services for our own projects as well as to third parties. Our third party EPC clients have included well-known Indian and multi-national companies such as Cipla Limited, Emcure Pharmaceuticals Limited, Zensar Technologies, Kirloskar Brothers Limited, Symbiosis, Syngenta India Limited and Okasa Pharma Private Limited. We have also provided EPC services to our own projects, such as Marigold, Marisoft Annex, Weikfield ITCiti Infopark and Zircon. As of October 31, 2007, we have completed an aggregate of 135 EPC Contracts, with total contract value of Rs. 5,552.50 million, out of which 119 EPC Contracts were for third parties, with total contract value of Rs. 4,355.78 million, and 16 EPC Contracts were for projects developed by us or our Other Development Entities with total contract value of Rs. 1,196.72 million. As on October 31, 2007, we are engaged in 36 EPC Contracts, with an estimated total contract value of Rs. 11,899.20 million and Order Backlog of Rs. 10,740.69 million out of which 26 EPC Contracts were for third parties with Order Backlog of Rs. 7,056.78 million and 10 EPC Contracts were for projects developed by us or our Other Development Entities with Order Backlog of Rs. 3,683.91 million.

Our real estate development business comprises of development of residential and office complexes as well as shopping malls, multiplexes, hotels, IT parks and other buildings, directly and through our Subsidiaries and Other Development Entities, and caters to customers with a diverse range of income groups. Our Ongoing and Forthcoming Projects are spread over five states. As of October 31, 2007, we and our Other Development Entities have completed an aggregate of 36 real estate development projects, with an aggregate Saleable Area of over 3.39 million square feet. In addition, we have sold land and land development rights aggregating to over 1.69 million square feet in Saleable Area. We and Other Development Entities are in the process of developing an additional 45 projects, with an aggregate Saleable Area of over 34.69 million square feet.

For some of our projects, we not only provide EPC and real estate development services, but also continue to own or operate such projects subsequent to their completion. For example, we currently own the Vista do Rio and Galaxy resorts in Goa and the Golden Suites service apartment complex in Pune, and own a 50.00% interest in the Marigold Premises Private Limited, which owns and operates the Mariplex mall and office complex. In addition, we are in the process of developing two hotels in Pune through entities in which we hold 26.00% and 37.50% equity interests respectively. Such business is expected to provide us with a steady source of revenues from leasing and hospitality operations.

As of June 30, 2007, we had consolidated total income of Rs. 1,380.43 million and consolidated net profit, as restated, of Rs. 58.83 million and for the fiscal year 2007, we had consolidated total income of Rs. 3,992.45 million and consolidated net profit, as restated, of Rs. 473.10 million.

Basis of Preparation

The following discussion is based on (a) our restated consolidated financial statements for the three months ended June 30, 2007 and the fiscal years March 31, 2007 and March 31, 2006, which are based on our audited consolidated financial statements restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines; and (b) our Company's restated unconsolidated (or standalone) financial statements for the three months ended June 30, 2007 and the fiscal years March 31, 2007, March 31, 2006 and March 31, 2005, which are based on our Company`s audited unconsolidated financial statements restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Guidelines. The audited consolidated and unconsolidated financial statements are prepared in accordance with Indian GAAP. Indian GAAP differs in certain material respects with IFRS and U.S. GAAP. See "Risk Factors – Risks Related to India – Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar." 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. Our financial results are prepared and presented in one business segment, civil construction.

Until the commencement of fiscal year 2006, we had no Subsidiaries and conducted all our operations and business directly through our Company. Accordingly, our Company did not prepare consolidated financial statements for any periods prior to fiscal year 2006. Since then, we have formed a number of Subsidiaries and joint ventures, whose financial statements are now consolidated with our financial statements. As a result, our restated consolidated financial statements for fiscal year 2006 consolidate the results of our Subsidiaries, Marvel Housing Private Limited and Clover Resorts Private Limited, joint ventures, Zircon Ventures, Zenith Ventures and Phoenix Ventures, and a partnership firm, Ajanta Enterprises. Since then, our subsidiary Clover Resorts Private Limited has merged with Vascon Engineers Limited vide Bombay High Court order dated January 19, 2007 with effect from April 1, 2006. Further, our restated consolidated financial statements for fiscal year 2007 consolidate the results of our Subsidiaries, Calypso Premises Private Limited, Cosmos Premises Private Limited, Rose Premises Private Limited, Windflower Properties Private Limited, Vascon Dwellings Private Limited, Marvel Housing Private Limited, IT-City InfoPark Private Limited and Floriana Properties Private Limited, and joint ventures, Viorica Properties Private Limited, Marigold Premises Private Limited, Zircon Ventures, Zenith Ventures, Weikfield IT-Citi Infopark, Vascon Hadapsar Ventures, Just Homes India Private Limited and Phoenix Ventures. It also includes our associate companies, Syringa Properties Private Limited, Angelica Properties Private Limited, Mumbai Estate Private Limited and Ajanta Enterprises. Subsequent to the completion of fiscal year 2007, Vascon Hadapsar Ventures, a partnership firm has merged with Vascon Engineers Limited. Our restated consolidated financial statements for the three months ended June 30, 2007 also consolidate the results of our new subsidiary, Vascon Pricol Infrastructure Limited.

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 and Demographic Condition in India

All our operations are currently located in India and the economic condition of India has a direct impact on our income. The success of our projects is dependant on general economic conditions in India. Growth in the GDP and per capita income in India generally results in an increase in our income.

In addition, the growth in the Indian economy has also resulted in the growth of new industries such as hospitality and information technology. We believe that growth in the general economic condition in India will not only increase the demand for more houses for those employed in these industries but will also require substantial real estate development activities, such as building of IT parks, hotels and resorts and shopping malls.

Condition and Performance of the Real Estate Market in India

The real estate development industry has shown an increase in demand in the past few years. 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 commercial space. In short, developments in the real estate sector are driven by:

- demand for more housing units in cities and towns due to the growing urbanisation of the Indian populace, an expanding middle class, increased disposable income, trend towards nuclear families and the easy availability of housing finance and tax incentives;
- demand for office premises from the growing IT and other industries;
- demand for shopping malls and entertainment venues;
- demand for hotels/resorts due to increasing business travel and tourism;
- 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 for ours as well as our EPC clients' projects as well as the cost of acquisition of development or ownership rights over such land. Our growth is directly linked to the availability of land in areas where we can develop projects that are marketable. Availability of land also affects our EPC clients' construction projects, and as such, our EPC business. Any government regulations, policies or other developments that restrict the acquisition of land or increases competition for land may therefore affect our operations.

The cost of acquisition of land or its development rights is generally a significant cost for real estate developers. Our strategy has been to acquire development rights to the land which we have identified for development instead of acquiring the freehold or leasehold interest in the land. This strategy reduces the amount of time required to procure consents and approvals and develop the projects, as a result, reduces our operational cost. In most of our development projects, we, or our Other Development Entities, obtain the right to construct and develop on the selected portion of land from the owner of such land in exchange for the land-owner either sharing a pre-determined portion of the revenues or profits generated from such development. The acquisition of development rights allows us to develop, market and sell our projects without significantly increasing our financing cost as a result of payments of purchase price for such land or exposing us to potential flaws in the title of the original owners of the land. As a result, we incur significant cost to acquire development rights to land.

Costs of Construction

The cost of construction primarily comprises cost of steel, cement, sand and aggregates, doors and windows, frames and other materials, as well as labour. In most instances, we undertake the procurement of these 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 manage effectively our construction cost, time schedules and quality.

Government Policies, Including Taxes and Duties Affecting Infrastructure

The provisions of Section 80-IA of the Income Tax Act provide for exemption of income tax on developing, maintaining and operating income from information technology parks. Some of our income is exempt from tax under such section of the Income Tax Act.

The provisions of section 80-IB of the Income Tax Act provide for exemption on payment of income tax on residential projects approved before March 31, 2007, provided that the area of each dwelling unit is not more than 1,000 square feet in metropolitan cities of New Delhi and Mumbai and 1,500 square feet in rest of India. Some of our income is exempt from tax under such section of the Income Tax Act.

Availability of Financing for Customers

One of the major drivers behind the growth of demand for housing units is low interest rates on housing loans. Interest rates have substantially declined since the last decade. As a result, the amount of housing loans disbursed in India has been increasing consistently. However, the rates of interest for housing loans have been recently increased by most banks and financial institutions in India.

In addition, a major factor contributing to the growth of residential housing property is income tax benefits on housing loans. Currently, an income tax deduction is available on the interest component up to Rs. 0.15 million on housing loans for self-occupied property and a rebate of Rs. 0.10 million on the principal repayment is also available.

Certain Significant Accounting Policies

Our consolidated and unconsolidated financial statements have been prepared in accordance with Indian GAAP, the accounting standards prescribed by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act on accrual basis, as adopted consistently by us. Certain significant accounting policies that are relevant to our consolidated business and operations are described below. See also notes to our restated consolidated financial statements and restated unconsolidated financial statements beginning on page 185 and page 149, respectively.

Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Fixed Assets

Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the balance sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of Accounting Standard AS 16 "Borrowing Cost" issued by ICAI.

Intangible assets are recognised as per the criteria specified in Accounting Standard AS 26 "Intangible Assets" issued by ICAI. In other cases, such expenditure is written off during the period in which it is incurred.

Investments

Investments are classified as long term and current investment. Long term investments are valued at cost of acquisition less provision for permanent diminution, if any in the value of investment. Current investments are carried at lower of cost or net realizable value. The profit or loss on sale of investments is dealt with at the time of the actual sale. Investments in partnership firms and Association of Person ("AOP") are stated at the book value.

Recognition of Revenue

Revenue from fixed price EPC Contracts is recognised on the percentage completion method. The stage of completion is determined by survey of work performed and or on completion of physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Expected loss, if any, is recognised as expenditure. In respect of uncertified revenue recognised, an adequate provision is made for possible reductions.

Revenue from sale of units is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection.

Share of profit or loss from partnership firm and AOP is recognised as income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/AOP in accordance with the Deed of Partnership/AOP Agreement.

Interest Income – Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.

Dividend Income – Dividend income is recognized as and when the right to receive the same is established

Rental Income – Income from letting-out of property is accounted on accrual basis- as per the terms of agreement and the right to receive the rent is established.

Other Operating Income – The revenue from hotel, games (such as bowling) and maintenance are recognised as and when such services are availed by the customers.

Inventories

Stock of materials has been valued at lower of cost or net realisable value.

The development work in progress represents progressive cost of work remaining incomplete or unsold as at close of the year, valued at lower of cost or net realisable value on the basis of technical estimate certified and verified by the management.

Stock of unsold units has been stated at cost or net realisable value, whichever is less.

Retirement Benefits

Retirement benefits comprise of provident fund and are in the form of a defined contribution scheme wherein contributions are charged to the profit and loss account for the year when the contributions to the respective funds are due. Gratuity liability is provided on the basis of an actuarial valuation made at the end of each financial year. Actuarial gains and losses are immediately taken on the profit and loss account and are not deferred.

Borrowing Cost

Interest and other cost in connection with the borrowing of the funds to the extent related or attributed to the acquisition or construction of qualifying fixed assets, if any, are capitalized up to the date when such assets are ready for its intended use and other borrowing cost are charged to profit and loss account.

Leases

Lease rentals in respect of assets acquired under operating lease are charged to the profit and loss account as incurred. Lease rentals in respect of assets given under operating lease are credited to the profit and loss account as accrued.

Income Tax

Taxes on income are accounted in accordance with AS 22 “Taxes on Income”. Taxes on income comprise both current income and deferred tax. Current tax comprises of tax payable on income and fringe benefit tax. Provision for current tax for the year is determined considering the disallowances, exemptions, deductions and liabilities or credits and available set offs as provided by tax laws and interpreted by various authorities. Deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. This is measured using substantively enacted tax rate and tax regulation.

Joint Venture Projects

Jointly Controlled Operations – In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

Jointly Controlled Entities – The consolidated statements of accounts have been prepared after consolidating the jointly controlled entities as per the proportionate consolidation method in accordance with AS 27.

Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Our Consolidated Results of Operations

The table below summarizes our consolidated results of operations, including as a percentage of total income, for the periods indicated:

	Three Months Ended June 30, 2007		**Fiscal Year March 31, 2007**		**Fiscal Year March 31, 2006**	
	(Rs. in Millions)	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**
INCOME:						
Operating Income:						
Sales	1,332.50	96.53	3,825.69	95.82	1,371.04	95.84
Other Operating Income	39.17	2.84	125.00	3.13	12.30	0.86
Other Income	8.76	0.63	41.76	1.05	47.26	3.30
TOTAL INCOME	**1,380.43**	**100.00**	**3,992.45**	**100.00**	**1,430.60**	**100.00**
EXPENDITURE:						
Cost of Sales	1,107.20	80.21	2,984.87	74.76	1,017.03	71.09
Employees Cost	53.48	3.87	110.69	2.77	74.70	5.22
Operating and Administrative Cost	65.83	4.77	150.52	3.77	64.16	4.48
Share of Loss from Associates	0.09	0.01	1.36	0.03	-	-
Finance Cost	28.07	2.03	39.29	0.98	30.99	2.17
Depreciation	12.39	0.90	27.68	0.69	18.90	1.32
TOTAL EXPENDITURE	**1,267.06**	**91.79**	**3,314.41**	**83.02**	**1,205.78**	**84.28**
PROFIT BEFORE TAX	**113.38**	**8.21**	**678.05**	**16.98**	**224.81**	**15.72**
Taxation:						
Current Tax	44.83	3.25	206.22	5.17	98.78	6.90
Deferred Tax	(0.67)	(0.05)	5.56	0.14	(2.07)	(0.14)
Fringe Benefit Tax	0.34	0.02	1.40	0.04	1.10	0.08
NET PROFIT AFTER TAX	68.88	4.98	464.87	11.64	127.00	8.87
Adjustment on account of Restatements	-	-	(1.83)	(0.05)	3.23	0.23
Current Tax Adjustments	-	-	0.32	0.01	0.18	0.01
Deferred Tax Adjustments	(10.05)	(0.73)	9.74	0.24	(0.39)	(0.03)
NET PROFIT, AS RESTATED	**58.83**	**4.26**	**473.10**	**11.85**	**130.02**	**9.09**

Income. We derive our income primarily from our EPC business as well as our real estate development business. Our total income comprises of operating income, other operating income and other income. Our total income was 1,380.43 million for the three months ended June 30, 2007, Rs. 3,992.45 million for the fiscal year 2007 as compared to Rs. 1,430.60 million for the fiscal year 2006, representing a fiscal year over fiscal year increase of 179.07%. We attribute the growth in our total income during such fiscal years to primarily to the growth of our real estate development business, as well as our EPC business.

Operating Income: Our operating income comprises of sales income which includes revenues from EPC Contracts, sale of developed units, consultancy services and sales of projects. Our other operating income relates to income from rent earned from leasing of a mall and office complex, share of profit from the partnership firms/AOP, management fees and income from the operations of Vista do Rio and Galaxy resorts in Goa and the Golden Suites service apartment complex in Pune. Our operating income was Rs. 1,371.67 million for the three months ended June 30, 2007, Rs. 3,950.69 million for the fiscal year 2007 and Rs. 1,383.34 million for the fiscal year 2006.

Other Income: Our other income includes income generated from dividends received on investments made, interest income, profit on sale of assets and investments and other miscellaneous income. Our other income was Rs. 8.76 million for the three months ended June 30, 2007, Rs. 41.76 million for the fiscal year 2007 and Rs. 47.26 million for the fiscal year 2006.

Expenditure. Our total expenditure consists of cost of sales, employees' cost, operating and administrative cost, finance cost and depreciation. Our total expenditure as a percentage of our total income was 91.78%, 83.01% and 84.28% for the three months ended June 30, 2007 and fiscal years 2007 and 2006, respectively.

Cost of Sales: Our cost of sales comprises construction and development costs, which consist of costs for our building and construction materials and tools, cost of acquisition of land or development rights as well as contract labour cost and expenses. Our cost of sales was 87.39%, 90.05% and 84.34% of our total expenditure for the three months ended June 30, 2007 and fiscal years 2007 and 2006, respectively. Costs of acquisition of land or development rights and of steel and cement have increased during the past three fiscal years. However, historically, in our real estate development business, we have been able to price our properties to maintain our margins. Other than costs of steel and cement, costs of building and construction materials and labour have generally remained stable over the past three fiscal years. We expect our construction and development costs to continue to be a major portion of our expenditure.

Employees Cost: Our employees cost consists of remuneration and other benefits to directors, salaries, bonuses and ex-gratia paid to our officers and employees, contributions to provident and other funds for the benefit of our officers and employees and other welfare expenses. Our employees cost was 4.22%, 3.34% and 6.20% of our total expenditure for the three months ended June 30, 2007 and fiscal years 2007 and 2006, respectively.

Operating and Administrative Cost: Our operating and administrative cost consists of advertisement expenses, write-offs of certain amounts, auditors fees, bank charges, brokerage and commissions, travelling and conveyance expenses, provisions for doubtful debts, donations, electricity charges, insurance premiums, post, telephone and telegram expenses, printing and stationery expenses, professional charges, rates and taxes, property rental charges, repairs and maintenance expenses, sales promotion expenses, share issue expenses, society maintenance expenses, vehicles expenses and other expenses. Operating and administrative cost accounted for 5.19%, 4.54% and 5.32% of our total expenditure for three months ended June 30, 2007 and fiscal years 2007 and 2006, respectively.

Finance cost. Finance cost consists of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related processing charges. See "– Financial Condition, Liquidity and Capital Resources – Indebtedness" for a summary of our outstanding indebtedness.

Depreciation. Depreciation is provided at the rates calculated using the written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act.

Taxation. We provide for current taxes such as income tax, wealth tax, 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.

For a summary of tax benefits available to us, see "Statement of Tax Benefits" on page 35.

Fiscal Year 2007 Compared to Fiscal Year 2006

Our results of operations for the fiscal year 2007 were particularly affected by the following factors:

- the overall growth of our EPC and real estate development businesses;
- the overall growth of our businesses resulted in corresponding increases in our various expenses;
- the increase in our profit received from partnership firms and AOP; and
- increase in rental income.

Income. Our total income increased by 179.07% to Rs. 3,992.45 million for the fiscal year 2007 from Rs. 1,430.60 million for the fiscal year 2006, primarily due to an increase in our real estate development business.

Operating Income. Our operating income increased by 185.59% to Rs. 3,950.69 million for the fiscal year 2007 from Rs. 1,383.34 million for the fiscal year 2006, primarily due to the sale of real estate projects such as Adams Court, Weikfield – D and Golden Nest – A, and income from EPC projects such as Cipla Limited Patalganga Phase - II, Symbiosis, Aventis Pharma.

Other Income. Our other income decreased by 11.63% to Rs. 41.76 million for the fiscal year 2007 from Rs. 47.26 million for the fiscal year 2006, primarily because of decrease in profit from sale of investments and interest income offset by increase in profit from sale of fixed assets and dividend income.

Total Expenditure. Our total expenditure increased by 174.88% to Rs. 3,314.41 million for the fiscal year 2007 from Rs. 1,205.78 million for the fiscal year 2006, primarily as a result of an increase in cost of sales, employees' cost and operating and administrative cost as a result of the overall growth of our business and operations which in turn resulted in an increase in operating income.

Cost of Sales. Our cost of sales comprising of construction and development costs increased by 193.48% to Rs. 2,984.87 million for the fiscal year 2007 from Rs. 1,017.03 million for the fiscal year 2006, due to growth in real estate development and EPC businesses.

Employees' Cost. Our employees' cost increased by 48.18% to Rs. 110.69 million for the fiscal year 2007 from Rs. 74.70 million for the fiscal year 2006, primarily due to an increase in the number of employees from 255 to 355 and a normal increase in the salaries, bonuses and ex-gratia paid to our officers and employees.

Operating and Administrative Costs. Our operating and administrative cost increased by 134.60% to Rs. 150.52 million for the fiscal year 2007 from Rs. 64.16 million for the fiscal year 2006, primarily due to an increase in services used from professionals, property rental charges, society maintenance expenses and share issue expenses.

Finance Costs. Our finance cost increased by 26.78% to Rs. 39.29 million for the fiscal year 2007 from Rs. 30.99 million for the fiscal year 2006, primarily due to an increase in the borrowings, resulting in an increase in interest payment on borrowings from banks, financial institutions and other lenders.

Depreciation. Our depreciation charge increased by 46.46% to Rs. 27.68 million for the fiscal year 2007 from Rs. 18.90 million for the fiscal year 2006. The increase was due to addition of Rs. 380.93 million of fixed assets, particularly plant and machinery and premises located at Kalyani Nagar, Pune.

Taxation. Our provision for taxes increased by 117.95% to Rs. 213.18 million for the fiscal year 2007 from Rs. 97.81 million for the fiscal year 2006. The primary component of this increase was an increase in our current tax liability to Rs. 206.22 million in the fiscal year 2007 from Rs. 98.78 million in the fiscal year 2006 corresponding with our increase in our profit before tax. Our effective tax rate for the fiscal year 2007 was 31.44% as compared to our effective tax rate of 43.94% for the fiscal year 2006.

Profit After Tax, as Restated. Our profit after tax, as restated increased by 263.84% to Rs. 473.10 million for the fiscal year 2007 from Rs. 130.03 million for the fiscal year 2006.

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 and developments 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.

Our Consolidated Cash Flows

The table below summarises our cash flows for the three months ended June 30, 2007 and the fiscal years 2007 and 2006:

	Three Months ended June 30, 2007	**Fiscal Year 2007**	**Fiscal Year 2006**
	(Rs. in millions)	**(Rs. in millions)**	**(Rs. in millions)**
Net cash (used in)/ generated from operating activities	(627.95)	65.99	(564.36)
Net cash generated (used) in/ generated from investing activities	(31.30)	(1,114.49)	30.90
Net cash (used in)/ generated from financing activities	627.97	1,130.30	597.70
Net cash inflow (outflow)	(31.28)	81.80	64.24

Cash and cash equivalents outflow was Rs. 31.28 million for the three months ended June 30, 2007 compared to inflows of Rs. 81.80 million for fiscal year 2007 and Rs. 64.24 million for fiscal year 2006. 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. 627.95 million for the three months ended June 30, 2007, and consisted of net profit before taxation of Rs. 113.38 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 12.39 million, and other items, primarily finance cost of Rs. 28.07 million, and changes in working capital, such as increases in inventory, loans and advances, current assets of Rs. 302.15 million, Rs. 555.34 million and Rs. 118.51 million, respectively.

Net cash generated from operating activities was Rs. 65.99 million for the fiscal year 2007, and consisted of net profit before taxation of Rs. 676.22 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 27.68 million, and other items, primarily interest cost of Rs. 39.29 million, and changes in working capital, such as increases in inventory, sundry debtors, loans and advances of Rs. 219.98 million, Rs. 876.67 million and Rs. 456.65 million, respectively, and net income tax payment of Rs. 155.45 million.

Net cash used in operating activities was Rs. 564.36 million for the fiscal year 2006, and consisted of net profit before taxation of Rs. 228.04 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 18.90 million, and other items, primarily interest payments of Rs. 30.99 million, and changes in working capital, primarily increases in inventory, sundry debtors and trade payables of Rs. 886.99 million, Rs. 150.19 million and Rs. 293.55 million, respectively, and net income tax payment of Rs. 72.92 million.

Investing Activities. Net cash used in investing activities was Rs. 31.30 million for the three months ended June 30, 2007, primarily as a result of purchases of fixed assets of Rs. 64.33 million and investments of Rs. 110.70 million.

Net cash used in investing activities was Rs. 1,114.49 million for the fiscal year 2007, primarily as a result of purchases of fixed assets of Rs. 380.93 million, increase in loans and advances of Rs. 542.89 million and purchase of investments of Rs. 254.31 million.

Net cash generated from investing activities was Rs. 30.90 million for the fiscal year 2006, primarily as a result of disposal of investments of Rs. 129.85 million.

Financing Activities. Net cash generated from financing activities was Rs. 627.97 million for the three months ended June 30, 2007, primarily as a result of incurrence of long term borrowings of Rs. 656.04 million for acquisition of land.

Net cash generated from financing activities was Rs. 1,130.30 million for the fiscal year 2007, primarily as a result of proceeds from issuance of share capital of Rs. 53.23 million, with a premium of Rs. 1,331.27 million.

Net cash generated from financing activities was Rs. 597.70 million for the fiscal year 2006, primarily as a result of incurrence of long term borrowings of Rs. 645.21 million and proceeds from redemption of preference capital of Rs. 100.08 million.

Investments

We hold equity shares in companies, have invested in partnership concerns, joint ventures and have mutual fund investments. Our total investments were Rs. 408.59 million as at June 30, 2007 and Rs. 466.30 million and Rs. 57.49 million as at March 31, 2007 and March 31, 2006 respectively.

Capital Expenditures

For the three months ended June 30, 2007, fiscal years 2007 and 2006, we spent Rs. 64.33 million, Rs. 380.93 million and Rs. 70.08 million, respectively, on capital expenditures. The capital expenditures for the three months ended June 30, 2007 resulted primarily from purchase of premises, office equipment, plant and machinery and furniture and fixtures. The capital expenditures for the fiscal years 2007 and 2006 resulted primarily from purchases of premises and plant & machinery. We expect our capital expenditure needs in fiscal year 2008 to be met from cash generated from operating activities and the net proceeds of this initial public offering. See "Objects of the Issue" on page 28.

Indebtedness

As of June 30, 2007 we had Rs. 1,929.99 million of aggregate principal amount of indebtedness outstanding.

Debt Service

We expect to service our indebtedness primarily from cash generated from our operating profit. For the fiscal years 2007 and 2006, 5.24%, and 11.59%, respectively, of our cash generated from our operating profit before interest was applied to cover financing cost.

Contractual Obligations and Commercial Commitments

The following table summarises our contractual obligations and commercial commitments as on June 30, 2007 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods. We have certain operating lease obligations for motor vehicles, other than which we own all of our assets.

Contractual Obligations	As on 30 June, 2007	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
			(Rs. in millions)		
Long term debt	415.51	217.51	47.00	57.00	94.00
Short term debt	-	-	-	-	-
Purchase and other obligations relating to land acquisition [(1)]	335.00	-	335.00	-	-
Other purchase and other obligations [(1)] .	642.66	642.66	-	-	-

(1) Our purchase and other obligations include our capital expenditure obligations and other obligations and commitments, including for rental and finance lease payments. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable and legally binding on us.

Contingent Liabilities

The following table provides our contingent liabilities as of June 30, 2007:

Particulars	(Rs. in Millions)
For Income Tax	29.07
Guarantees / counter guarantees given by us or by banks on our behalf	79.83
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	66.66

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our subsidiary, affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, lease of assets or property (including intellectual property), sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see Note 14 of Schedule 1 of our restated consolidated financial statements beginning on page 214.

Seasonality

Our results of operations do not generally exhibit seasonality. However, we may have variation in our financial results from fiscal period to fiscal period as a result of various factors, including those described under "– Factors Affecting Our Results of Operations" and "Risk Factors."

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with 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 charges 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.

Risk Management Procedures

The objective of market risk management is to avoid excessive exposure of our income and equity to loss. We generally manage our market risk through our treasury operations.

Interest Rate Risk

We currently have floating rate indebtedness 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 October 30, 2007, Rs. 296.03 million of our indebtedness consisted of floating rate indebtedness. Upward fluctuations in interest rates increase the cost of both existing and new debts. It is likely that that in the current fiscal year and in future periods our borrowings will rise substantially given our planned expenditure. We do not currently use any derivative instruments to modify the nature of our exposure to floating rate indebtedness so as to manage interest rate risk.

Commodity Risk

We are exposed to market risk with respect to the prices of raw material and components used in our projects. These commodities primarily are steel and cement. The cost of these raw materials and components are subject to fluctuation based on commodity prices. The cost of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. 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 mechanism in place in respect of any of the commodities we purchase.

Credit Risk

We are exposed to credit risk on accounts receivables owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts. We monitor the credit worthiness of our customers to whom we have granted credit terms in the normal course of business. We generally grant our customers credit periods of 60 to 90 days.

Known Trends or Uncertainties

Other than as described in the section titled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages x and 219, 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 the section entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages x and 219, respectively, to our knowledge there are no future relationship between cost 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 rates, 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 x and 53, respectively.

Significant Developments after June 30, 2007 that may affect our Future Results of Operations

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 financial statements contained in the Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our trading and profitability, or the value of our assets or our ability to pay material liabilities within the next 12 months.

Unconsolidated Results of Operations for our Company

The table below summarizes the unconsolidated results of operations for our Company, including as a percentage of total income, for the periods indicated:

	Three Months Ended June 30, 2007		**Fiscal Year March 31, 2007**		**Fiscal Year March 31, 2006**		**Fiscal Year March 31, 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**
INCOME:								
Operating Income:								
Sales	1,239.65	96.59	3,624.22	94.86	1,439.26	96.48	1,315.05	98.93
Other Operating Income	27.32	2.13	153.83	4.03	8.66	0.58	4.52	0.34
Other Income	16.48	1.28	42.69	1.11	43.81	2.94	9.69	0.73
TOTAL INCOME	**1,283.45**	**100.00**	**3,820.74**	**100.00**	**1,491.73**	**100.00**	**1,329.26**	**100.00**
EXPENDITURE:								
Cost of Sales	1,022.05	79.63	2,837.60	74.27	1,064.93	71.39	1,071.93	80.64
Employees Cost	52.10	4.06	108.02	2.83	74.62	5.00	47.15	3.55
Operating and Administrative Cost.	55.34	4.31	125.75	3.29	61.48	4.12	45.36	3.41
Finance Cost	26.03	2.03	39.26	1.03	30.67	2.06	27.04	2.03
Depreciation….	7.22	0.56	21.76	0.57	18.90	1.27	13.04	0.98
TOTAL EXPENDITURE	**1,162.74**	**90.59**	**3,132.39**	**81.98**	**1,250.60**	**83.84**	**1,204.52**	**90.62**

	Three Months Ended June 30, 2007		Fiscal Year March 31, 2007		Fiscal Year March 31, 2006		Fiscal Year March 31, 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
PROFIT BEFORE TAX	**120.71**	**9.41**	**688.35**	**18.02**	**241.13**	**16.16**	**124.74**	**9.38**
Taxation:								
Current Tax	37.64	2.93	192.50	5.04	88.59	5.94	44.01	3.31
Deferred Tax	1.44	0.11	5.57	0.15	(2.07)	(0.14)	1.51	0.11
Fringe Benefit Tax	0.33	0.03	1.38	0.04	1.10	0.07	-	-
NET PROFIT AFTER TAX	**81.30**	**6.33**	**488.90**	**12.80**	**153.51**	**10.29**	**79.22**	**5.96**
Adjustment on account of Restatements	(17.75)	(1.38)	15.91	0.42	3.88	0.26	2.23	0.17
Current Tax Adjustments	-	-	0.67	0.02	(0.14)	(0.01)	(1.25)	(0.09)
Deferred Tax Adjustments	(10.05)	(0.78)	9.74	0.25	(0.39)	0.03	0.42	0.03
NET PROFIT, AS RESTATED	**53.50**	**4.17**	**515.22**	**13.48**	**156.86**	**10.52**	**80.62**	**6.07**

Income. Our Company derives its income primarily from its EPC business as well as real estate development business. Our Company's total income comprises of operating income, other operating income and other income. Our Company's total income was 1,283.45 million for the three months ended June 30, 2007, Rs. 3,820.74 million for the fiscal year 2007, Rs. 1,491.73 million for the fiscal year 2006 and Rs. 1,329.26 million for the fiscal year 2005, representing a fiscal year over fiscal year increase of 156.12% and 12.22%, respectively. We attribute the growth in our Company's total income during such fiscal years primarily to the growth of the EPC business as well as the real estate development business.

Operating Income: Our Company's operating income comprises of sales income which includes revenues from EPC Contracts, sale of developed units, consultancy services and sales of projects spin off (we have spun off development projects at various stages of completion to third parties as a part of our strategy to optimise returns and minimise risk). Our Company's other operating income relates to income from rent earned from leasing of office complex, share of profit from partnership firms and AOP, management fees and income from operations of Vista do Rio in Goa. Our Company's primary income is generated from real estate development comprising of 58.44%, 55.54%, 6.89% and 7.29% of its total income for the three months ended June 30, 2007 and the fiscal years 2007, 2006 and 2005, respectively.

Other Income: Our Company's other income includes income generated from dividends received on investments made, interest income, profit on sale of assets and investments and other miscellaneous income. Our Company's other income was Rs. 16.48 million for the three months ended June 30, 2007, Rs. 42.69 million for the fiscal year 2007, Rs. 43.81 million for the fiscal year 2006, Rs. 9.69 million for the fiscal year 2005.

The table below provides our Company's income and percentage of total income from EPC and real estate development business for the periods indicated:

Activity	Three Months Ended June 30, 2007		Fiscal Year March 31, 2007		Fiscal Year March 31, 2006		Fiscal YearMarch 31, 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)
EPC Business	489.64	38.15%	1,502.25	39.32%	1,336.25	89.38%	1,218.12	91.64%
Real Estate Development Business	750.00	58.44%	2,121.97	55.54%	103.00	6.89%	96.93	7.29%

Expenditure. Our Company's total expenditure consists of cost of sales, employees cost, operating and administrative expenses, finance cost and depreciation. Our Company's total expenditure as a percentage of our total income was 90.59%, 81.98%, 83.84% and 90.62% for the three months ended June 30, 2007 and fiscal years 2007, 2006 and 2005, respectively.

Cost of Sales: Our Company's cost of sales comprises of construction and development costs which consists of cost for its building and construction materials and tools, cost of acquisition of land or development rights as well as contract labour cost and expenses. Our Company's cost of sales was 87.90%, 90.58%, 85.15% and 88.99% of its total expenditure for the three months ended June 30, 2007 and fiscal years 2007, 2006 and 2005, respectively.

Employees Cost: Our Company's employees cost consists of salaries, bonuses and ex-gratia paid to its officers and employees, contributions to provident and other funds for the benefit of its officers and employees and other welfare expenses. Our Company's employees cost was 4.48%, 3.45%, 5.97% and 3.91% of its total expenditure for the three months ended June 30, 2007 and fiscal years 2007, 2006 and 2005, respectively.

Operating and Administrative Cost: Our Company's operating and administrative cost consists of advertisement expenses, write-offs of certain amounts, auditors fees, bank charges, brokerage and commissions, travelling and conveyance expenses, provisions for doubtful debts, donations, electricity charges, insurance premiums, post, telephone and telegram expenses, printing and stationery expenses, professional charges, rates and taxes, property rental charges, repairs and maintenance expenses, sales promotion expenses, share issue expenses, society maintenance expenses, vehicles expenses and other expenses. Our Company's operating and administrative cost accounted for 4.75%, 4.01%, 4.91% and 3.76% of its total expenditure for three months ended June 30, 2007 and fiscal years 2007, 2006 and 2005, respectively.

Finance cost. Finance cost consist of interest paid on term loans and other loans obtained from banks, other financial institutions and other lenders, as well as the related processing charges.

Depreciation. Depreciation is provided at the rates calculated using the written-down value method and in accordance with the rates specified under Schedule XIV of the Companies Act.

Taxation. Our Company provides for current taxes such as income tax, wealth tax, 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 Company's deferred tax liability is recognized net of deferred tax assets, if any.

Fiscal Year 2007 Compared to Fiscal Year 2006

Our Company's results of operations for the fiscal year 2007 were particularly affected by the following factors:

- the overall growth of its EPC and real estate development businesses; and
- the increase in our profit received from AOP and partnership firms such as Weikfield IT-Citi Infopark.

Income. Our Company's total income increased by 156.12% to Rs. 3,820.74 million for the fiscal year 2007 from Rs. 1,491.73 million for the fiscal year 2006, primarily due to an increase in our Company's real estate development business.

Operating Income. Our Company's operating income increased by 160.93% to Rs. 3,778.05 million for the fiscal year 2007 from Rs. 1,447.92 million for the fiscal year 2006, primarily due to the sale of real estate projects such as Adams Court, Weikfield – D and Golden Nest – A, and EPC projects such as Cipla Limited Patalganga Phase - II, Symbiosis and Aventis Pharma.

Other Income. Our Company's other income marginally decreased by 2.55% to Rs. 42.69 million for the fiscal year 2007 from Rs. 43.81 million for the fiscal year 2006, primarily because in the fiscal year 2006, our Company generated profit from sale of fixed assets.

Total Expenditure. Our Company's total expenditure increased by 150.47% to Rs. 3,132.39 million for the fiscal year 2007 from Rs. 1,250.60 million for the fiscal year 2006, primarily as a result of an increase in cost of sales, employees' cost and operating and administrative cost as a result of the overall growth of our Company's business and operations which in turn resulted in an increase in operating income.

Cost of Sales. Our Company's cost of sales comprising of construction and development costs increased by 166.45% to Rs. 2,837.60 million for the fiscal year 2007 from Rs. 1,064.93 million for the fiscal year 2006, due to growth in real estate development as well as EPC businesses.

Employees' Cost. Our Company's employees' cost increased by 44.76% to Rs. 108.02 million for the fiscal year 2007 from Rs. 74.62 million for the fiscal year 2006, primarily due to an increase in the number of employees from 255 to 355 and a normal increase in the salaries, bonuses and ex-gratia paid to its officers and employees.

Operating and Administrative Cost. Our Company's operating and administrative cost increased by 104.53% to Rs. 125.75 million for the fiscal year 2007 from Rs. 61.48 million for the fiscal year 2006, primarily due to an increase in services used from professionals, property rental charges, society maintenance expenses and share issue expenses.

Finance Cost. Our Company's finance cost increased by 28.00% to Rs. 39.26 million for the fiscal year 2007 from Rs. 30.67 million for the fiscal year 2006, primarily due to an increase in the borrowings, resulting in an increase of interest payment on borrowings from banks, financial institutions and other lenders.

Depreciation. Our Company's depreciation charge increased by 15.13% to Rs. 21.76 million for the fiscal year 2007 from Rs. 18.90 million for the fiscal year 2006. The increase was due to addition of Rs. 100.52 million of fixed assets, particularly plant and machinery and office premises.

Taxation. Our Company's provision for taxes increased by 127.63% to Rs. 199.45 million for the fiscal year 2007 from Rs. 87.62 million for the fiscal year 2006. The primary component of this increase was an increase in our Company's current tax liability to Rs. 192.50 million in the fiscal year 2007 from Rs. 88.59 million in the fiscal year 2006 corresponding with an increase in its profit before tax. Our Company's effective tax rate for the fiscal year 2007 was 28.98% as compared to its effective tax rate of 36.34% for the fiscal year 2006.

Profit After Tax, As Restated. Our Company's profit after tax, as restated increased by 228.46% to Rs. 515.22 million for the fiscal year 2007 from Rs. 156.86 million for the fiscal year 2006.

Fiscal Year 2006 Compared to Fiscal Year 2005

Our Company's results of operations for the fiscal year 2006 were particularly affected by the following factors:

- the growth of its EPC business and real estate development businesses;
- increase in project management contracts; and
- increase in profit from sale of investments, fixed assets and rental income.

Income. Our Company's total income increased by 12.22% to Rs. 1,491.73 million for the fiscal year 2006 from Rs. 1,329.26 million for the fiscal year 2005, primarily due to an increase in its operating income and income from investment.

Operating Income. Our Company's operating income increased by 9.72% to Rs. 1,447.92 million for the fiscal year 2006 from Rs. 1,319.57 million for the fiscal year 2005. This increase was primarily due to sale of real estate development projects such as Palladium, and project management and EPC contracts such as Dr. Reddy's Laboratory, Cipla Limited (HP & Patalganga), Syngenta and Symbiosis.

Other Income. Our Company's other income increased by 352.11% to Rs. 43.81 million for the fiscal year 2006 from Rs. 9.69 million for the fiscal year 2005, primarily due to an increase in profit from sale of investments and fixed assets and rental income.

Total Expenditure. Our Company's total expenditure increased by 3.83% to Rs. 1,250.60 million for the fiscal year 2006 from Rs. 1,204.52 million for the fiscal year 2005, primarily as a result of an increase in employees' cost and operating and administrative cost offset by a decrease in construction expenses and development cost.

Cost of Sales. Our Company's cost of sales comprising of construction and development expenses decreased by 0.65% to Rs. 1,064.93 million for the fiscal year 2006 from Rs. 1,071.93 million for the fiscal year 2005, primarily due to a shift in some contracts of being labour only contracts from contracts with material and labour provisions for the fiscal year 2006.

Employees' Cost. Our Company's employees' cost increased by 58.26% to Rs. 74.62 million for the fiscal year 2006 from Rs. 47.15 million for the fiscal year 2005, due to an increase in the number of employees from 189 to 255 and an increase in the salaries and bonuses paid to its officers and employees.

Operating and Administrative Cost. Our Company's operating and administrative cost increased by 35.54% to Rs. 61.48 million for the fiscal year 2006 from Rs. 45.36 million for the fiscal year 2005, primarily due to an increase in rates and taxes, insurance premiums, professional fees and rents and compensation.

Finance cost. Our Company's finance cost increased by 13.42% to Rs. 30.67 million for the fiscal year 2006 from Rs. 27.04 million for the fiscal year 2005, due to an increase in the interest payment on term loans and working capital loans.

Depreciation. Our Company's depreciation charge increased by 44.93% to Rs. 18.90 million for the fiscal year 2006 from Rs. 13.04 million for the fiscal year 2005. The increase was due to addition of fixed assets including office premises and plant & machinery.

Taxation. Our Company's provision for taxes increased by 92.48% to Rs. 87.62 million for the fiscal year 2006 from Rs. 45.52 million for the fiscal year 2005. The primary component of this increase was an increase in our Company's current tax liability to Rs. 88.59 million in the fiscal year 2006 from Rs. 44.01 million in the fiscal year 2005 corresponding with our increase in our profit before tax. Our Company's effective tax rate for the fiscal year 2006 was 36.34% as compared to an effective tax rate of 36.49% for the fiscal year 2005.

Profit After Tax, as Restated. Our Company's profit after tax, as restated increased by 94.57% to Rs. 156.86 million for the fiscal year 2006 from Rs. 80.62 million for the fiscal year 2005.

Unconsolidated Cash Flows for our Company

The table below summarises the unconsolidated cash flows of our Company for the three months ended June 30, 2007 and fiscal years 2007, 2006 and 2005:

	Three Months ended	Fiscal Year		
	June 30, 2007	2007	2006	2005
	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)
Net cash (used) in/ generated from operating activities	(436.99)	(287.82)	(565.70)	(130.09)
Net cash generated (used) in/generated from investing activities	(65.17)	(520.77)	28.07	(109.27)
Net cash (used) in /generated from financing activities	545.01	772.74	602.72	238.26
Net cash inflow (outflow)	42.85	(35.85)	65.09	(1.10)

Cash and cash equivalents inflow was Rs. 42.85 million as of the three months ended June 30, 2007 compared to an outflow of Rs. 35.85 million as of March 31, 2007. Cash in form of bank deposits, current account balances and cash on hand represents our Company's cash and cash equivalents.

Operating Activities. Net cash used in operating activities was Rs. 436.99 million for the three months ended June 30, 2007, and consisted of net profit before taxation of Rs. 102.96 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 7.22 million, and other items, primarily interest expense of Rs. 26.03 million, and changes in working capital, such as increases in inventory, loans and advances, current assets of Rs. 209.61 million, Rs. 225.36 million and Rs. 118.51 million, respectively.

Net cash used in operating activities was Rs. 287.82 million for the fiscal year 2007, and consisted of net profit before taxation of Rs. 704.26 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 21.62 million, and other items, primarily interest expense of Rs. 39.26 million, and changes in working capital, such as increases in sundry debtors and loans and advances of Rs. 1,008.50 million and Rs. 918.27 million, respectively and income tax payment of Rs. 144.91 million.

Net cash used in operating activities was Rs. 565.70 million for the fiscal year 2006, and consisted of net profit before taxation of Rs. 245.01 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 16.68 million, and other items, primarily interest expense of Rs. 30.67 million, and changes in working capital, primarily increases in inventory and sundry debtors of Rs. 703.05 million and Rs. 153.76 million, respectively, and income tax payment of Rs. 71.64 million.

Investing Activities. Net cash used in investing activities was Rs. 65.17 million for the three months ended June 30, 2007, primarily as a result of purchases of fixed assets of Rs. 48.24 million and investments of Rs. 153.96 million.

Net cash used in investing activities was Rs. 520.77 million for the fiscal year 2007, primarily as a result of purchases of fixed assets of Rs. 103.21 million and purchase of investments of Rs. 482.28 million.

Net cash generated from investing activities was Rs. 28.07 million for the fiscal year 2006, primarily as a result of disposal of investments of Rs. 111.60 million.

Financing Activities. Net cash generated from financing activities was Rs. 545.01 million for the three months ended June 30, 2007, primarily as a result of incurrence of long term borrowings of Rs. 571.04 million.

Net cash generated from financing activities was Rs. 772.74 million for the fiscal year 2007, primarily as a result of proceeds from issuance of share capital of Rs. 1,384.50 million.

Net cash generated from financing activities was Rs. 602.72 million for the fiscal year 2006, primarily as a result of incurrence of long term borrowings of Rs. 654.31 and proceeds from issuance of share capital of Rs. 100.00 million.

Indebtedness

As of October 31, 2007, we had Rs. 1,181.96 million, of aggregate principal amount of indebtedness outstanding. See "Financial Indebtedness" on page 236.

FINANCIAL INDEBTEDNESS

As on October 31, 2007 our aggregate outstanding borrowings are as follows:

(In Rs Million)

S. No.	**Nature of Borrowing**	**Amount**
1.	Secured Borrowings	314.74
2.	Unsecured Borrowings	867.22

Secured Loans

I. Loans borrowed from HDFC Bank Limited

Term Loan agreement dated March 2, 2007

Sanctioned amount (in Rs. Million)	**Amount outstanding (in Rs. Million)**	**Interest (% per annum)**	**Repayment and Security**
5.65	5.06	12.24	• The loan is re-payable in 35 monthly instalments of Rs. 192, 262 starting from March 20, 2007 • The tenure is for 35 months. • Hypothecation and charge in favor of the bank by way of first and exclusive charge of the equipment; as security for the repayment/ payment of the loan granted or to be granted by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the bank and all other monies payable or to become payable by the company to the bank. • The bank shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as the bank may decide, including reserving a right to the bank to retain its power to proceed against the company on behalf of the purchaser, assignee, or transferee, any or all outstanding dues of the company, to any third party of the Bank's choice without reference to or without written intimation to the company

Term Loan agreement dated March 2, 2007

Sanctioned amount (in Rs. Million)	**Amount outstanding (in Rs. Million)**	**Interest (% per annum)**	**Repayment and Security**
1.575	1.16	12.54	• The loan is re-payable in 35 monthly instalments of Rs. 53, 186 starting from March 20, 2007 • The tenure is for three years • Hypothecation and charge in favor of the bank by way of first and exclusive charge of the equipment; as security for the repayment/ payment by the company of the loan granted or to be granted by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the bank. • The bank shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as the bank may decide, including reserving a right to the bank to retain its power to proceed against the company on behalf of the purchaser, assignee, or transferee, any or all outstanding dues of the company, to any third party of the Bank's choice without reference to or without written intimation to the company

Term Loan agreement dated December 04, 2004

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
3.19	0.11	6.5	• The loan is re-payable in 35 monthly installments of Rs. 100,209 starting from January 01, 2005. • Hypothecation and charge in favor of the bank by way of exclusive charge over construction equipment

Term Loan agreement dated December 04, 2004

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
0.22	0.01	9.08	• The loan is re-payable in 36 monthly instalments of Rs. 6794 starting from December 04, 2004 • The borrower hypothecates to and charges in favor of the bank by way of exclusive charge over vehicle: make and model: maruti car

Term Loan agreement dated February 26, 2005

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
2.46	0.23	6.75	• Repayable in 35 monthly instalments of Rs. 77,905/- starting from March 15, 2005 • Hypothecation and charges in favor of the bank by way of exclusive charge over construction equipmen

Agreement for loan and guarantee dated May 17, 2005

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
0.43	0.09	6.10	• Repayable in 36 monthly instalments of Rs. 13,036, starting from May 17, 2005 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated October 8, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
1.60	1.44	13.22	• Repayable in 35 monthly instalments of Rs.54,406, starting from October 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses

			incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated June 25, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
5.20	4.65	12.52	• Repayable in 35 monthly instalments of Rs.178,122, starting from July 5, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated June 25, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
1.96	1.75	12.52	• Repayable in 35 monthly instalments of Rs.67,138, starting from July 5, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated June 25, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
2.60	2.32	12.49	• Repayable in 35 monthly instalments of Rs. 88,992, starting from July 5, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated July 6, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
2.56	2.29	12.51	• Repayable in 35 monthly instalments of Rs. 87,850, starting from July 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security

			for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated July 6, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
1.60	1.43	12.26	• Repayable in 35 monthly instalments of Rs. 54,610, starting from July 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated October 1, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
2.70	2.69	12.00	• Repayable in 35 monthly instalments of Rs. 91,810, starting from October 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated October 5, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
3.67	3.55	12.00	• Repayable in 35 monthly instalments of Rs. 124,794, starting from October 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated October 5, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
1.60	1.55	12.00	• Repayable in 35 monthly instalments of Rs. 54,406, starting from October 15, 2007

			• Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

Agreement for loan and guarantee dated October 11, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
2.70	2.61	12.00	• Repayable in 35 monthly instalments of Rs. 91,810, starting from October 15, 2007 • Hypothecation and charge in favour of the Bank by way of first and exclusive charge of the equipment as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.

II. Loans from ICICI Bank Limited

Term Loan agreement dated February 19, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
8.50	7.21	4.82	• The loan is re-payable in 35 monthly instalments of Rs. 139,005 for each vehicle starting from March 22, 2007 • The tenure is for a period of three years • Hypothecation and charge in favor of the bank of the vehicle purchased against the loan

Term Loan agreement dated July 18, 2005

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
1.87	0.69	3.8	• The loan is repayable in 35 equal monthly installments of Rs, 59,760 starting from August 7, 2005 • Company to create first charge in favour of the bank and hypothecate all collaterals in favor of the bank and against all collaterals along with all and any additions, attachments, accessories and accessions and substitution, replacement and exchange thereof and all insurance and other proceeds thereof weather present or future. • The borrower shall execute a demand promissory note in favor of ICICI.

Term Loan agreement dated July 18, 2005

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
0.38	-*	3.8	• The loan is repayable in 35 equal monthly installments of Rs, 11,723 starting from August 7, 2005 • Company to create first charge in favour of the bank and

			hypothecate all collaterals in favor of the bank and against all collaterals along with all and any additions, attachments, accessories and accessions and substitution, replacement and exchange thereof and all insurance and other proceeds thereof weather present or future. • The borrower shall execute a demand promissory note in favor of ICICI.

** The agreements dated July 18, 2005 have been consolidated and therefore the amount outstanding under both the agreements is Rs. 0.69 million.*

Term Loan Agreement dated December 12, 2004

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
30.00	0.09	7.40	• The loan is repayable in 36 equal monthly installments of Rs, 92,730 starting from January 1, 2005 • Company to create first charge in favour of the bank and hypothecate all collaterals in favor of the bank and against all collaterals along with all and any additions, attachments, accessories and accessions and substitution, replacement and exchange thereof and all insurance and other proceeds thereof weather present or future. • The borrower shall execute a demand promissory note in favor of ICICI.

III. Loans from State Bank of India

Supplementary loan Agreement dated May 12, 2007

Sanctioned amount (in Rs. Million)	Amount outstanding (in Rs. Million)	Interest (% per annum)	Repayment and Security
Rs. 600 million of which a. demand cash credit of Rs. 400 million and b. letter of credit / bank guarantee of Rs. 200 million	275.81	13.50	• Hypothecation of stock of raw, material, work in progress and receivables (excluding work in progress) • Equitable mortgage of three flats. • All present and future goods, book-debts, and all other movable current assets of the company document of title to the goods, outstanding moneys, receivables, including receivables, by way of cash assistance and or cash incentive under cash incentive scheme or any other scheme and present machinery listed in the schedule hereto and deposit of all title deeds of the existing immovable properties and all future machinery belonging to or in the possession or under the control of the company or of bank or third party wherever lying, stored and kept whether in India or elsewhere throughout the world. (Including all such goods, other moveable assets as may be in course of shipment, transit or delivery.)

Some of the common restrictive covenants contained in the above loans agreements, are provided below

- The bank shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as the bank may decide, including reserving a right to the bank to retain its power to proceed against the company on behalf of the purchaser, assignee, or transferee, any or all outstanding dues of the company, to any third party of the Bank's choice without reference to or without written intimation to the company
- The borrower will not create any security on the collaterals without consents of the bank
- Create any pledge, hypothecation, mortgage, charge, lien, or encumbrance upon or n respect of the said goods or the said debts or any part thereof in any manner whatsoever (whether by way of specific mortgage or charge or floating charge or otherwise) in favor of any person, firm or

company other than the bank or otherwise deal with the said goods or the said debts or any pat thereof except in the regular course of business until notice is received from the bank of its intention to enforce this agreement by the realization of the security herein and will not permit or suffer to be done any act, deed, matter or thing which may adversely affect or in any prejudice the security and/ or the rights of the bank.

- Receive, compound or release any of the said debts nor do anything whereby the recovery of the same may be impaired, delayed or prevented without the previous consent in writing of the bank and will keep proper books of account and other records of its business and will at any time when required produce such books and records for the inspection of the bank and its representatives, officers and agents and allow them access thereto and to furnish copies of or extracts from the same.
- The Bank shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner, in whole or in part, and in such manner and on such terms as the Bank may decide, including reserving a right to the Bank to retain its power to proceed against the company on behalf of the purchaser, assignee or transferee, any or all outstanding dues of the company, to any third party of the Bank's choice without reference to or without written intimation to the company.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Other Development Entities and there are no defaults, non- payment of statutory dues, overdues to banks/financial institutions/small scale undertaking(s), defaults against banks/financial institutions/small scale undertaking(s), defaults in dues payable to holders of any debentures, bonds or fixed deposits or arrears on preference shares issued by our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Other Development Entities defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company, the Directors, the Promoters, the Promoter Group and the Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Other Development Entities that would result in a material adverse effect on our consolidated business taken as a whole.

Further, except as disclosed hereunder, our Company, our Directors, our Promoters, the Promoter Group, members forming part of our Promoter Group, our Subsidiaries and our Other Development Entities have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

For details of contingent liabilities of our Company and our Subsidiaries, please refer to the financial statements of our Company and the Subsidiaries on page 185.

Cases filed against the Company

1. A suit (1202 of 2005) has been filed before the the court of the civil judge senior division at Pune by Sanjay Bakht Ajwani and others, against Downtown Estate Developers Private Limited and others (including us who has been specified as defendant no 42). The original owners of the lands located at Mauje Lohagaon, Taluka Haveli, entered into a development agreement with the defendant no 1 which was subsequently cancelled by both the parties. The plaintiff no. 1 claims to be the director of the defendant company and the other plaintiffs claim to be the shareholders. The original owners have subsequently entered into development agreement with defendant no. 4 which eventually entered into an agreement with us. The plaintiffs have challenged the deed of cancellation, the development agreement with defendant no 40 and the joint venture agreement entered into between defendant 40 and us. The plaintiffs have also claimed the possession of the property. The plaintiff has also filed an application before the court stating that the property was being developed by Zircon Ventures which has not disclosed the existence of this dispute to the prospective unit purchasers, or the existence of this suit. The suit is being heard for the miscellaneous applications filed by the platintiffs. The next date of hearing is November 15, 2007 for passing of order on application under order 7 Rule 11 of C/P.C filed by one of the defendant.

2. A suit (1833 of 2007) has been filed by Rahul Rode and Sujata Patke before the civil judge senior division at Pune against Pannalal Lumnwat, Surekha Ravindra Kumar Lunawat, Asha Rasik Shetia, Lalita Lunawat and us. The plaintiff has alleged that by the plaintiff that they are the owners of property admeasuring 7 Ares and 5 Ares respectively out of S.No.9/10, Village Mahalunge, Pune and the defendants have encroached upon the property and have started construction of a five star hotel on the suit property. The defendants have filed their appearance in the suit. We have filed its reply in this regard, and has stated that Viorica Properties Private Limited has an understanding with the defendant for constructing and managing the properties in respect of which development rights have been assigned to Viorica Properties Private Limited and we have no relation with these plaintiffs. The next date is November 15, 2007 for filing say/reply of the defendants to the temporary injunction application.

Cases filed by our Company

3. We have filed a suit (335 of 2007) against Eagle Flask Industries Limited, Salemohamed Padamse & Company and Eagle Home Appliances Private Limited before the court of the civil judge, senior division at Pune. The case has been filed by us for declaration, specific performance and permanent injunction. The plaintiff alleges that they had entered into an oral agreement with the defendants pursuant to which the defendant was required to transfer a total of 45 acres of land (located at Talegaon, Taluka Maval, District Pune), subject to various terms as agreed between the parties which includes the mode of payment and the steps to be taken by the defendants to transfer the lands to the plaintiff. The plaintiff alleges that they have already commenced the process undertaking diligence on the lands and incurred substantial costs in relation to the same. The plaintiff alleges that they have relied on the commitment made by the defendant and inspite of complying with their obligations the defendants have not performed their part of the obligations. Further, the defendants has also decided to sell the lands to various third parties. In light of the same, the plaintiff has sought for the performance of the agreement, and restrain the defendant from selling the land. The plaintiff has also requested the court to direct the defendant to pay Rs. 370 million by way of damages in the event that the oral agreement is incapable of being specifically performed. The suit is pending hearing for temporary injunctions filed by the plaintiff. The next date of hearing is November 17, 2007.

Tax Disputes

4. An order dated September 13, 2002 has been passed by the Commissioner of Income Tax (Appeals)-IX Mumbai against us. We had filed the appeal against the order dated February 28, 2001. The Commissioner of Income Tax (Appeals)-IX Mumbai has upheld the order again the Company. Our Company has filed an appeal before the Income Tax Appellate Tribunal which passed an order dated June 12, 2006 stating that the notice of hearing was sent to us and that there was no appearance made by us and therefore the appeal was not admitted and was this dismissed. We therefore filed an appeal and requested the tribunal to restore the appeal. The tribual vide order dated January 16, 2007 has allowed our appeal. We have paid the amount of Rs. 6.77 million under protest.

Cases involving our Subsidiaries

Calypso Premises Private Limited

Cases filed by or against Calypso Premises Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Cosmos Premises Private Limited

Cases filed by or against Cosmos Premises Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Floriana Properties Private Limited

Cases filed by or against Floriana Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

IT – Citi Infopark Private Limited

Cases filed by or against IT – Citi Infopark Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Marvel Housing Private Limited

Cases filed by or against Marvel Housing Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Rose Premises Private Limited

Cases filed by or against Rose Premises Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Vascon Dwellings Private Limited

Cases filed by or against Vascon Dwellings Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Vascon Pricol Infrastructures Limited

Cases filed by or against Vascon Pricol Infrastructures Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Wind Flower Properties Private Limited

Cases filed by or against Wind Flower Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Other entities through which we are carrying on development activities

I. Corporate entities

Angelica Properties Private Limited

Cases filed by or against Angelica Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Just Homes (India) Private Limited

Cases filed by or against Just Homes (India) Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Marigold Premises Private Limited

Cases filed by or against Marigold Premises Private Limited

The company has filed an appeal (PN/CIT(A)-II/Cen.Cir.2(3)/275/2006-07) before the office of the commissioner of income tax (appeals) – II Pune on February 16, 2007 in relation to the assessment year 2003-04. The income assessed is Rs. 6,612,480 and tax demanded is Rs. 1,412,378. The appeal is filed against the order passed under section 143(2) Income Tax Act, 1961 by the Deputy Commissioner of Income Tax, Central Circle. The notice of the demand has stated that the a sum of Rs. 43196964 has been determined by the department to be payable.

Contingent Liability as of March 31, 2007

The company has not made a provision in respect of income tax demands not accepted by the company for Rs. 44,609,342, as the same has been disputed by the company in appeal.

Mumbai Estates Private Limited

Cases filed by or against Mumbai Estates Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Syringa Properties Private Limited

Cases filed by or against Syringa Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Viorica Properties Private Limited

Cases filed by or against Viorica Properties Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

John Fowler Ophthalmics Private Limited

Cases filed by or against John Fowler Ophthalmics Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Marathawada Realtors Private Limited

Cases filed by or against Marathawada Realtors Private Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Almet Corporation Limited

Cases filed by or against Almet Corporation Limited

Nil

Contingent Liability as of March 31, 2007

Nil

Ascent Hotels Private Limited

Cases filed by or against Ascent Hotels Private Limited

Nil

Contingent Liability as of March 31, 2006

Nil

II. Association of persons

Just Homes Associates

Cases filed by or against Just Homes Associates

Nil

Contingent Liability as of March 31, 2007

Nil

Zircon Ventures

Cases filed by or against Zircon Ventures

Nil

Contingent Liability as of March 31, 2007

Nil

Zenith Ventures

Cases filed by or against Zenith Ventures

Nil

Contingent Liability as of March 31, 2007

Nil

Phoenix Ventures

Cases filed by or against Phoenix Ventures

Nil

Contingent Liability as of March 31, 2007

Nil

Weikfield IT- Citi Infopark

Cases filed by or against Weikfield IT- Citi Infopark

Nil

Contingent Liability as of March 31, 2007

Nil

III. Partnerships

Ajanta Enterprises

Cases filed by or against Ajanta Enterprises

Nil

Contingent Liability as of March 31, 2006

Nil

Cases involving our Promoters

Individual Promoters

R. Vasudevan

There are no cases filed by or against R. Vasudevan.

Lalitha Vasudevan

There are no cases filed by or against Lailtha Vasudevan.

N.R. Moorthy

There are no cases filed by or against N.R. Moorthy.

Thangam Moorthy

There are no cases filed by or against Thangam Vasudevan.

Amar Lulla

1. A criminal compliant (430 of 2003) has been filed by the Rajasthan State Government, through Daljit Singh Uppal, Drug Control Authority, Hanumangarh against Cipla Limited and Amar Lulla before the Chief Judicial Magistrate at Hanumangarh, Rajasthan on May 10, 2003. The criminal complaint has been filed in relation to the Non – withdrawal of a banned product Alergin from the market. The product Alergin was manufactured by Meditab Specialities Private Limited and distributed by Cipla. This product was however banned by the Government of India but no directions were given to to whether the stocks lying in the market should be witdrawn or not. Thus a drug inspector has filed this criminal compliant for not withdrawing the stocks in the market. No monetary claim has been made in this suit. . The next date of hearing has not been issued.

2. A show cause notice dated December 18, 1998 was issued to Cipla Limited for reversal of Modvat credit availed on bulk drug 'CIPLOX' tablets received at its Patalganga factory interalia proposing to impose a personal penalty on Amar Lulla. The Commissioner of Central Excise, Mumbai VII Commissionarate by its order dated January 12, 2000 while confirming the demand raised in the notice also imposed personal penalty of Rs. 0.10 million on Amar Lulla. Against the aforesaid order all aggreived parties including Amar Lulla preferred an appeal bearing NO. E/1437 to 1442, 1461 and 1465/2000 before the Central Excise and Gold Appellate Tribual (CEGAT), Mumbai along with stay applications. Pursunat to an interim order No.C-1/3010-17/W2B/2000 dated September 7, 2000 CEGAT (now CESTAT) while disposing off the stay applications granted an unconditional stay to all parties including Amar Lulla and waived the pre deposit of demand and penalities till final disposal of appeals filed before it. The appeals are still pending before the CESTAT.

Corporate Promoters

Vatsalya Enterprises Private Limited

Cases filed by or against Vatsalya Enterprises Private Limited

Nil

Contingent Liabilities as on March 31, 2007

Nil

Premratan Exports Private Limited

Cases filed by or against Premratan Exports Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Golden Temple Pharma Private Limited

Cases filed by or against Golden Temple Pharma Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Cases involving entities forming part of our Promoter Group

I. Corporate Entities

Bell Flower Premises Private Limited

Cases filed by or against Bell Flower Premises Private Limited

Nil

Contingent Liabilities as on March 31, 2007

Nil

Conamore Resorts Private Limited

Cases filed by or against Conamore Resorts Private Limited

1. Conamore Resorts Private Limited have filed an appeal dated February 8, 2002 before the commissioner of income tax (appeals), Mumbai against an assessment order for the year 1998-1999. The company had sold shares of another company at a profit and had claimed deduction of interest of Rs. 2,700,000 on the loan taken for the purchase of the shares. The assessment order had held that the purchase and sale of shares by the company was not a business transaction and hence the same was in respect of transfer of capital asset. The order further held that the interest cannot be claimed as a deduction under section 36(1) of the Income Tax Act, 1961 and hence taxed the income of Rs. 2,700,000.

Contingent Liabilities as on March 31, 2006

No provision has for the income tax demand of Rs. 1,508,738 has been made.

Flora Premises Private Limited

Cases filed by or against Flora Premises Private Limited

Nil

Contingent Liabilities as on March 31, 2007

Nil

Golden Dwellings Private Limited

Cases filed by or against Golden Dwellings Private Limited

Nil

Contingent Liabilities as on March 31, 2007

Nil

Goldfield Habitat Private Limited

Cases filed by or against Goldfield Habitat Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Hamcon Engineers Private Limited

Cases filed by or against Hamcon Engineers Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Details	Rupees
Bank Guarantee issued by the Bankers of the Company	5,000

Vastech Consultants Private Limited

Cases filed by or against Vastech Consultants Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Stresstech Engineers Private Limited

Cases filed by or against Stresstech Engineers Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Dreamz Impex Private Limited

Cases filed by or against Dreamz Impex Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

DNA Pharma Private Limited

Cases filed by or against DNA Pharma Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

Orion Lifescience Private Limited

Cases filed by or against *Orion Lifescience Private Limited*

Nil

Contingent Liabilities as on March 31, 2006

Nil

Medicreams India Private Limited

Cases filed by or against *Medicreams India Private Limited*

Nil

Contingent Liabilities as on March 31, 2006

Nil

Saga Chemicals Private Limited

Cases filed by or against Saga Chemicals Private Limited

Nil

Contingent Liabilities as on March 31, 2006

Nil

II. Hindu Undivided family

N R Moorthy HUF

Cases filed by or against N.R Moorthy HUF.

Nil

Contingent Liabilities as on March 31, 2007

Nil

R Vasudevan HUF

Cases filed by or against R Vasudevan HUF.

Nil

Contingent Liabilities as on March 31, 2007

Nil

Amar Lulla HUF

Cases filed by or against Amar Lulla HUF.

Nil

Contingent Liabilities as on March 31, 2007

Nil

III. Partnerships

Venus Ventures

Cases filed by or against Venus Ventures

Nil

Contingent Liability as of March 31, 2007

Nil

Cases involving our Directors

Ameet Hariani

1. A Criminal Writ Petition (known as Criminal Miscellaneous Application) (No. 15574 of 2006) has been filed in the Allahabad High Court by Ameet Hariani against the State of Uttar Pradesh and Others. Ameet Harani has prayed for quashing of the criminal case and pending the quashing of the criminal case, for staying of the summons and staying of the proceedings in the criminal case. The Allahabad High Court has been pleased to pass an order staying further proceedings pending further orders. Currently, the matter is pending and the matter will be taken up for hearing as per the daily list.

2. A Criminal Case (No 5541 of 2006) has been filed before the Chief Judicial Magistrate, Bareilly, U.P by Jai Singh against persons who he has claimed to be the directors of Alpic Finance Limited. The case has been filed under Sections 420, 406 and 120B of the Indian Penal Code. The allegations are already set out in the note sent earlier. There are no damages asked for but the proceedings are by way of a prosecution under the Indian Penal Code. The case of the complainant is that he has invested in certain debentures of Alpic Finance Limited. He says that the debentures subscribed by him (of the maturity value of about Rs. 90,000/-) were due for repayment in 2001. He further has alleged that all the directors of Alpic Finance Limited had come to Bareilly to meet investors at that time in 2001, to assure them that repayment would be made. Therefore the board of directors have been made a party to the suit. Ameet Hariani had however resigned from the board of Alpic Finance Limited in 1998.

3. A compliant (No 152 of 2007) has been filed before the Disciplinary Committee of the Bar Council of Maharashtra by Ajwani against Ameet Hariani praying that Ameet Hariani should be proceeded against for professional misconduct and be dealt with according to law. The complaint relates to a title certificate dated February 2, 2005 issued by M/s. Hariani & Co. (a partnership firm in which Hariani is a partner) relating to property in Pune in respect of which Zircon Ventures has a development agreement. The complainant has contended that the title certificate dated February 2, 2005 should have referred to a suit subsequently filed by the complainant in the Pune Court in September 2005. Ameet Hariani has filed a reply with the Bar Council of Maharashtra pointing out that the title certificate could only reflect the position as on date of the title certificate. It has also been pointed out that subsequent supplementary title certificates issued by the firm in respect of this property refer to the suit having been filed and that there has been no suppression about the suit having been filed.

Except as disclosed in this section and in the section titled 'Cases involving our Promoters- Amar Lulla' there are no other cases involving any of our Promoters.

Cases involving individuals forming part of the Promoter group

There are no cases filed by or against any of the individials forming part of the Promoter Group.

Details of past penalties imposed on our Company or any of our Directors

Except, as indicated in this chapter no penalities have been imposed on our Company or any of our Directors.

Details of pending proceedings initiated for economic offences against our Company or any of our Directors

Nil

Details of past penalties imposed on our Promoters or the companies forming part of our Promoter Group

There have been no instances in the past of any penalties that has been imposed on our Promoters or on any company forming part of our promoter group by any statutory authorities.

Amounts owed to small scale undertakings (to whom we owe a sum exceeding Rs. One lakh and which is outstanding more than 30 days)

Nil

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 219.

GOVERNMENT APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals related to the Issue

1. Approval from the National Stock Exchange dated [•]

2. Approval from the Bombay Stock Exchange dated [•]

3. Letter dated April 27, 2007 to DIPP seeking confirmation on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

Approvals to carry on our Business

1. Our Company has been allotted PAN as AAACV1249F

2. Our Company has been allotted TAN as PNEV04048C

3. Registration certificate dated December 9, 1997 issued by the Inspector (Shops & Establishments) registering the Company as a merchant establishment under the Bombay Shops and Establishments Act, 1948 with registration No. Station/II/2390. This registration is valid till December 31, 2009.

4. Registration certificate dated March 30, 1996 issued by the Sales Tax Officer, Bombay registering the Company as a dealer under the Bombay Sales Tax Act, 1959 in respect of 'contractors & developers', 'building materials' and 'contraction equipments'. The Company has now been allotted VAT TIN 27630000232V.

5. Registration certificate dated March 30, 1996 issued by the Sales Tax Officer, Bombay registering the Company as a dealer under the Central Sales Tax Act, 1956 in respect of 'contractors & developers', 'building materials' and 'contraction equipments'. The Company has now been allotted CST TIN 27630000232C.

6. Enrolment certificate dated December 31, 1986 issued by the Profession Tax Officer, Bombay enrolling the Company under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

7. Registration certificate dated January 2, 1987 issued by the Profession Tax Officer, Bombay registering the Company as an employer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

8. Registration certificate dated April 15, 1991 issued by the Office of the Regional Provident Fund Commissioner, Bombay registering the Company under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 with effect from March 31, 1989 with registration No. MH/PE/APP/37435/513/36.

9. Registration certificate dated June 14, 2000 issued by the Employee State Insurance Corporation registering the Company under the Employee State Insurance Act, 1948 in respect of the Head Office with effect from March 31, 2000 with registration No. V-33-30-432571101-NRD.

10. Registration Certificate dated June 26, 2007 issued by the Superintendent, Central Excise Division, Mohali registering the Company under section 69 of the Finance Act, 1994 for the payment of service tax on the services of (i) construction (ii) goods transport agency and and (iii) works contract services with service tax code No. AAACV1249FST005.

11. Registration certificate dated May 29, 2002 issued by the Office of the Regional Provident Fund Commissioner, Goa registering the Company under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 with effect from May 1, 2002 with registration No. Goa/PF/Enf/APP/110202/1280.

12. Registration certificate dated July 3, 2000 issued by the Employee State Insurance Corporation registering the Company under the Employee State Insurance Act, 1948 in respect of the Goa Branch Office with effect from August 1, 1984 with registration No. 31-43257/101/oa/113/7/2000.

13. Registration Certificate dated June 24, 2007 issued by the Superintendent Service Tax (Group III) Pune III Commissionerate, Office of the Commissioner of Central Excise Pune III, registering the Company under section 69 of the Finance Act, 1994 for the payment of service tax on the services of (i) construction services in respect of Commercial or Industrial Building and Civil Structures (ii) transport of goods by road (iii) consulting engineer (iv) construction of residential complex (v) erection, commissioning and installation services (vi) works contract services (vii) renting of immovable property services with service tax code No. AAACV1249FST003.

14. Registration Certificate dated March 14, 2006 issued by the Superintendent Central Excise (Service Tax), Goa, Commissionerate of Customs and Central Excise, Goa, Service Tax Range, registering the Company under section 69 of the Finance Act, 1994 for the payment of service tax on the services of (i) construction services in respect of Commercial or Industrial Building and Civil Structures (ii) transport of goods by road with service tax code No. AAACV1249FST004.

15. Registration Certificate dated September 19, 2007 issued by the Superintendent Central Excise (Service Tax), Assistant Commissioner of Customs and Central Excise, Shimla, registering the Company under section 69 of the Finance Act, 1994 for the payment of service tax on the services of (i) construction services in respect of Commercial or Industrial Building and Civil Structures (ii) transport of goods by road (iii) works contract services (iv) construction of residential complex with service tax code No. AAACV1249FST001.

Approvals in relation to our projects

Some of the important approvals received by us or our Subsidiaries, or any of the Other Development Entities, in relation to our ongoing projects are as follows:

I. Vascon Engineers Limited
Project Name: Hotel and Weikfield Annex

1. Commencement Certificate dated March 7, 2006 bearing no CC/4251/05 by Assistant Engineer (Building Control) for Jolly Steel for Survey no. 32, Hissa no 1, Wadgaon, Pune.

2. Urban Land Ceiling Order dated March 3, 1986 bearing no. ULC/J-39/MC/DC/GAD/B/11188 by Additional Collector and Competent Authority (Urban Land Ceiling Regulation) Pune for Survey No. 32/1, Nagar Road, Pune- 411 014

3. Zone Certificate dated February 14, 2007 bearing no. DPO/2007/1545 issued by the Development Plan Division, Pune Municipal Corporation, Pune.

No Objection certificates

4. Fire NOC dated February 04, 2006 issued by Chief Fire Officer, Pune Municipal Corporation in respect of building at S. No. 32/1, Sub Plot No. A, Wadgaon Sheri, Pune Nagar Road, Pune. (N.O.C.F.B / 3644)

5. Plinth certificate dated October 30, 2006 issued by Assistant Engineer bearing no. 210

6. Permission for hotel dated December 8, 2005 license no. BCO/9579

7. Commencement Certificate bearing no CC/4251/05 dated March 7, 2006 for Jolly steel at Survey no 32, Hissa no 1, Wadgaon Sheri

8. Urban Land Ceiling order dated March 3, 1986 bearing no. ULC/ J- 39/ MC/ DC/ GAD for Jolly Steel Industries Private Limited at 31/1, Nagar Road, Pune – 411 014

Project Name: Windmere

1. Commencement Certificate dated April 29, 2004 bearing no. CC/0380/04 by Assistant Engineer (Building Control) to Windmere for Sangamwadi- Tpscheme, Pune.

2. Urban Land Ceiling Order dated February 4, 2002 bearing no. ULC/Case No-30+58-IR F.P. No. 331 by Additional Collector and Competent Authority, Pune Urban Agglomeration, Pune,TPS Sangamwadi, Pune

Project Name: Vascon City Gold

1. Certificate No. IC/Infra/SEZ – Cell/ 462 dated August 30, 2007 issued by Industries Commissioner, Gujarat certifying setting up of sector specific Special Economic Zone for IT/ITES in 10-72-36 H.A. SQ. M. Land at Sanathal, Taluka: Sanand, District: Ahmedabad.

2. Government of India approval vide letter no. F2/530/2006-EPZ dated 19/06/2007 for developing IT/ITES Special Economic Zone over an area of 10-72-36 H.A. SQ. M. Land at Sanathal, Taluka: Sanand, District: Ahmedabad.

Project Name: Vascon City Gold

1. Certificate No. IC/Infra/SEZ – Cell/ 464 dated August 30, 2007 issued by Industries Commissioner, Gujarat certifying setting up of sector specific Special Economic Zone for IT/ITES in 52-60-63 H.A. SQ. M. Land at Sargasan, Taluka and District: Gandhinagar.

2. Government of India approval vide letter no. F2/518/2006-EPZ dated 19/06/2007 for developing IT/ITES Special Economic Zone over an area of 52-60-63 H.A. SQ. M. Land at Sargasan, Taluka and District: Gandhinagar.

II. Calypso Premises Private Limited
Project Name: Calypso

1. Urban Land Ceiling order dated January 1, 1997 bearing no. 1321 to 1327- BA by Additional Collector and Competent Authority, Urban Agglomeration, Pune for Calypso Premises Private Limited for 17/1, 17/7, Kharadi, Pune.

2. Urban Land Ceiling order dated March 30,1999 bearing no. 264 – 11/1999 by Additional Collector and Competent Authority, Urban Agglomeration, Pune for Calypso Premises Private Limited for 17/5, Kharadi, Pune

3. Zone Certificate dated February 21, 2007 bearing no.DPO/Zone/2007/2946 issued by Development Plan Division, Pune Municipal Corporation for S. No. 16.

4. Zone Certificate dated February 21, 2007 bearing no.DPO/Zone/2007/2947 issued by Development Plan Division, Pune Municipal Corporation for S. No. 17.

III. Vascon Dwellings Private Limited
Project Name: Tulips Dwellings

1. Urban Land Ceiling Order dated June 20,2006 bearing no ULC/S-20/D-3/P-236/Undri/06 by Additional Collector and Competent Authority, Pune Urban Agglomeration and Ex. Officio Dy. Secretary to Government in Urban Development Department & Member Secretary Technical Scrutiny Committee. for plot Survey no. 18/1, 4/1/1B, village Undri, Pune

2. Zone Certificate dated February 10, 2006 bearing no. 996 issued by the Assistant Director, Town Planning, Town Planning and Valuation Department, Pune for Survey No. 18

IV. Just Homes Associates
Project Name: Marisoft Annex

1. Urban Land Ceiling Order dated January 5, 1999 issued by the Deputy Collector and Competent Authority No. II, Pune Urban Agglomeration, Pune.

V. Angelica Properties Private Limited
Project Name: Matrix

1. Commencement Certificate dated April 4 2007 bearing no D. P. O. / 55/ VI/1 - by Deputy City Engineer(D.P.) Pune Municipal Corporation for Angelica Properties Private Limited for development of plot no 64A, Sangam Wadi, Pune.(IT Park)

2. Commencement Certificate dated August 8, 2005 bearing no CC/1751/05 by Assistant Engineer (Building Control) for CTS No 4/1/Mumbai- Pune Road, Sangamwadi – Tpscheme, Pune

3. Letter of Intent for private IT Park dated March 3, 2007 bearing no DIC/Pune/LOI-79/I.T. Park/2007/4965 by General Manager, District Industries Center, Pune for Angelica Properties Private Limited for Matrix, 4/1 Final plot no. 64/A, Wakadewadi, Mumbai Pune Road, Shivaji Nagar, Pune.

4. Non Agriculture Order dated August 19, 2006 bearing no NA/SR/21/06 by Collector, Pune for Angelica Properties Private Limited, for Survey no. 4/1, final plot no. 64A, Bhamburde, Pune.

5. ULC order dated December 10, 2004 bearing no. 1654-B issued by the Additional Collector and Competent Authority, Pune Urban Agglomeration, Pune

6. Provisional Fire NOC dated October 24, 2007 bearing no. FB/2028 by chief Fire Officer, Pune Municipal corporation for Angelica Properties Private Limited for P.No. 64A, Sangamwadi, T.P.S., Mumbai- Pune, Pune

VI. Phoenix Ventures
Project Name: Phoenix Ventures

1. Non Agriculture order dated August 25, 2006 bearing no NA/ SR/114/2006 by Collector, Pune for Phoenix, for Survey No. 274 and 275/2, Hinjewadi, and District Mulshi.

2. ULC order dated June 26, 1997 bearing no. 2058 issued by Deputy Collector and Competent Authority No. III, Pune Urban Agglomeration, Pune.

VII. Vascon Engineers Limited and Phoenix Habitat Private Limited
Project Name: Willows

1. Commencement Certificate dated June 19, 2007 bearing no D.P.O./II/465/C/1163 by Dy. City Engineer, (D.P.). Pune Muncipial Corporation for Willos, survey no. 13, Balewadi, Pune

2. Non Agriculture Order dated July 16, 2007 bearing no. PRH/NA/SR/442/2007 by Collector, Pune, for Willows for Survey No. 13/3, 13/4, 13/5, 13/6, 13/7, 13/8, 13/13B(P), 13/14, 13/15, 13/16, 13/17, 13/18, 13/19, Balewadi, Pune.

3. Urban Land Ceiling Order dated January 29, 2005 bearing no. ULC case no. 181 and 1655 - BA by Additional Collector and Competent Authority, Urban Agglomeration Pune.

4. Urban Land Ceiling Order dated January 28, 2005 bearing no. ULC Case No. 1663BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/2, 13/6, 13/11, 19/3A/1, Balewadi, Pune.

5. Urban Land Ceiling Order dated January 28, 2005 bearing no. ULC Case No. 1657- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/3, 13/7, 13/10, 19/3B, Balewadi, Pune.

6. Urban Land Ceiling Order dated April 5, 2005 bearing no. ULC/D-3/s-20/1665/BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/4, Balewadi, Pune.

7. Urban Land Ceiling Order dated January 29, 2005 bearing no. ULC Case no. 181BA/1655-BA by Additional Collector and Competent Authority for Willows, for Survey No. 10/15 and 10/16, Balewadi, Pune.

8. Urban Land Ceiling Order dated January 28, 2005 bearing no. ULC Case No. 1664- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/8, 13/13/B, 19/4A/1, 19/4b/1, 23/7/1 and 47/12, Balewadi, Pune

9. Urban Land Ceiling Order dated December 31, 2004 bearing no. ULC Case No. 1656- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/9, Balewadi, Pune.

10. Urban Land Ceiling Order dated December 31, 2004 bearing no. ULC Case No. 1661- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/15, Balewadi, Pune.

11. Urban Land Ceiling Order dated January 28, 2005 bearing no. ULC Case No. 1666- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/16, 19/2C(Pt), 45/11/1, 46/1C, 47/3 and 47/6, Balewadi, Pune.

12. Urban Land Ceiling Order dated December 31, 2004 bearing no. ULC Case No. 1662- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/17, Balewadi, Pune.

13. Urban Land Ceiling Order dated December 31, 2004 bearing no. ULC Case No. 1658- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/18 and 19/1B Balewadi, Pune.

14. Urban Land Ceiling Order dated December 31, 2004 bearing no. ULC Case No. 1660- BA by Additional Collector and Competent Authority for Willows, for Survey No. 13/19, Balewadi, Pune

VIII. Marigold Premises Private Limited
Project Name: Marigold

1. Non Agriculture order dated September 12, 1997 bearing no PRH/NA/SR/403/97 for Marigold Premises Private Limited for land occupied in Survey no. 15/1, 15/2/1, 15/2/2, 15/3, 15/4, 15/5, 15/6, Wadgaon Sheri, Taluka Haveli, District, Pune.

2. Non Agriculture order dated December 13, 2001 bearing no PRH/NA/SR/764/ III / 2001 for Marigold Premises Private Limited for land occupied in Survey no. 15/1, 15/2/1, 15/2/2, 15/3, 15/4, 15/5, 15/6, Wadgaonsheri, Taluka Haveli, District, Pune.

3. Urban Land Ceiling order dated March 22, 2001 bearing no. ULC/ Desk-3/T.No.VII/43/2001 by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune for Marigold Premises Private Limited (for Survey No. 15/1, 15/2/1, 15/2/2, 15/3, 15/4, 15/5, 15/6, Wadgaon Sheri, Pune

IX. Zircon Ventures
Project Name: Zircon

1. Commencement Certificate bearing no. D.P.O./7892/V/99 dated December 19, 2006 by Dy. City Engineer, (D.P.), Pune Municipal Corporation for Zircon Ventures , Survey No. 197, Lohagaon, Pune.

2. Government Area Statement dated September 3, 1995 bearing no. 25+378-01 by Additional Collector and Competent Authority, Pune for Zircon Ventures for Survey No. 197/3, Lohagaon, Pune - Nagar Road, Pune.

3. Non agriculture order dated April 12, 1999 bearing no. PR M/NA/SR/620/III/98 by Additional Collector, Pune for Zircon for 197/3 Lohgaon, Pune.

4. Non Agriculture order dated December 26, 2005 bearing no. PRH/NA/SR/283/2005 by Collector, Pune to Zircon for survey No. 197/3, Village Lohagaon, Haveli, Pune.

No Objection Certificates

5. License to work the lift dated August 25, 2006 granted to Zircon, issued by Chief Engineer (Elec.) under Rule 4 of Bombay Lift Rules, 1958 with respect to Survey No. 137/3, Zircon,Nagar Road, Lohagaon, Pune with License No. 65138

6. License to work the lift dated May 22, 2006 granted to Zircon, issued by Chief Engineer (Elec.) under Rule 4 of Bombay Lift Rules, 1958 with respect to Survey No. 197/3, Zircon Tenant Building,No -2, Nagar Raod, Viman Nagar, Pune with License No. 63541

7. License to work the lift dated May 3, 2006 granted to Zircon, issued by Chief Engineer (Elec.) under Rule 4 of Bombay Lift Rules, 1958 with respect Survey No. 197/3, Zircon Tenant Building,No -2, Nagar Raod, Viman Nagar, Pune with License No.63046

8. A letter/ A completion certificate dated 9th Nov 2006 by Vastech Consultants Private. Limited in respect of Building at S.No. 197/3, Viman nagar, Next to CTR, Nagar road, Pune- 14. (addressed to City engineer, Pune Municipal Corporation.

9. Fire NOC dated January 10, 2007 issued by Chief Fire officer, Pune Municipal Corporation in respect of Building at S.No. 197/3, Lohagaon, Pune (for plot no.2 for Building 2 & 3 only). (N.O.C.F.B / 532)

10. Fire NOC dated June 1, 2005 issued by Chief Fire officer, Pune Municipal Corporation in respect of Building at S.No. 197/3, Lohagaon, Pune (for plot no.1- Building 1,2 , 3 & Plot No.2 - building 1 to 12.). (N.O.C.F.B / 429)

11. Fire NOC dated June 26, 2006 issued by Chief Fire officer, Pune Municipal Corporation in respect of Building at S.No. 197/3, Lohagaon, Pune (for plot no.1- Building 2 & Plot No.2 – Building 1 only). (N.O.C.F.B / 688)

12. Fire NOC dated February 9, 2007 issued by Chief Fire officer, Pune Municipal Corporation in respect of Building at S.No. 197/3, Lohagaon, Pune. (N.O.C.F.B / 5394)

13. Water NOC issued dated June 3, 2006 by Assistant Engineer (meter), Irrigation Department, Pune Municipal Corporation in respect of S. No. 197/3, Lohegaon, Pune. For Zircon (NOC No/ 70)

14. Water NOC issued dated December 26, 2006 by Assistant Engineer (meter), Irrigation Department, Pune Municipal Corporation in respect of S.No. 197/3, Lohagaon, Pune. For Zircon (NOC No/ 2445)

15. Drainage NOC issued dated May 8, 2006 by Assistant Engineer, Yerwada Divisional Office, Pune Municipal Corporation in respect of survey no 197,Lohegaon, Pune. For Zircon. (NOC No 289) (part i)

16. Drainage NOC issued dated December 30, 2006 by Assistant Engineer, Yerwada Divisional Office, Pune Municipal Corporation in respect of survey no 197,Lohegaon, Pune. For Zircon. (NOC No 3447) (part ii)

17. Structural Engineer's Certificate dated November 09, 2006 in respect of Zircon Ventures, s. no. 197/3, Viman Nagar, Next to CTR, Nagar Road,Pune- 411 014

18. Drainage NOC issued dated May 31, 2007 by Divisional Officer, Yerwada Divisional Office, Pune Municipal Corporation in respect of survey no 197,Lohegaon, Pune. For Zircon. (NOC No 539)

X. Viorica Properties Private Limited

1. Urban Land Ceiling order by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune dated July 17, 2001 bearing no. ULC/ Desk-1/T.No.VII/89/2001 for Viorica Properties Private Limited (for Survey No. 9/9/1, Mahalunge, Pune)

2. Non agricultural order dated October 13, 2006 bearing no NASR/ 165/2006 by Collector, Pune for land comprised in S. No. 9/9/1 for Mahalunge, Mulshi, Pune.

3. Urban Land Ceiling order Urban Agglomeration, Pune dated January 9, 2007 bearing no. ULC Case No. 591-L Sub Collector and competent Authority no.3, Pune, Urban Agglomeration, Pune for Viorica Properties Private Limited (for Survey No. 9/10, Mahalunge, Pune)

4. Zone Certificate dated April 10, 2006 bearing no. 186 issued by Assistant Director, Town Planning, Pune for Survey No. 9

XI. Zenith Ventures
Project Name: Zenith

1. Urban Land Ceiling order dated July 27, 2001 bearing no. ULC/ Appeal /2209/2001 by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune to Zenith Ventures for Sr. no. 8/1B + 1A(Part) and Survey No. 39/2B, Kharadi, Pune

2. Urban Land Ceiling order dated March 31, 2003 bearing no. ULC Case No.482- CH by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune for Zenith Ventures for Sr. no. 39/2A/17, 39/2A/16, 39/2A/23, 39/2A/26, 39/2A/20, 39/2A/21,Kharadi, Pune.

3. Urban Land Ceiling order dated December 24, 2002 bearing no. ULC Case No. 472 by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune for Zenith Ventures for Sr. no. 39/2A/1, 39/2A/2, 39/2A/3, 39/2A/4, 39/2A/5, 39/2A/6, 39/2A/7, 39/2A/8, 39/2A/9, 39/2A/10, 39/2A/11, 39/2A/12, 39/2A/13, 39/2A/14, 39/2A/15, 39/2A/18, 39/2A/19, 39/2A/22, 39/2A/24, 39/2A/25, 39/2A/27, 39/2A/28,Kharadi, Pune.

4. Urban Land Ceiling order dated March 31, 2003 bearing no. ULC Case No. 482- CH by Additional Collector and Competent Authority, Pune, Urban Agglomeration, Pune to Zenith Ventures for Sr. no. 39/2A/17, 39/2A/16, 39/2A/23, 39/2A/26, 39/2A/20, 39/2A/21, Kharadi, Pune.

5. Commencement Certificate dated October 19, 2006 bearing no. DPO/6057/H/92 issued by the Office of the Deputy City Engineer (Development Plan), Pune Municipal Corporation.

6. Zone Certificate dated February 21, 2007 bearing no. DPO/Zone/2007/2968 issued by Pune Municipal Corporation, Development Plan Division, Pune.

XII. Weikfield IT Citi Infopark
Project Name: Weikfield

1. Commencement Certificate dated March 17, 2007 for bearing no. CC/4423/06 from Assistant Engineer (Building Control) for Weikfield IT Citi Info Park Private Limited at Survey no. 30/3, 31/1-2, Wadgaon Sheri, Pune.

2. Urban Land Ceiling order, Pune dated May 28, 1984 bearing no. ULC/W-13/MC/IC/by Additional Collector and Competent Authority, Pune, Urban Agglomeration for Weikfield IT Citi Info Park Private Limited , Nagar Road

XIII. Vascon Dwellings Private Limited
Project Name: V Tech Park, Silver Spring, Vista and Vista Annex

1. Urban Land Ceiling Order dated July 17, 1996 bearing no. A-3/SR/320/96 by Additional Collector and Competent Authority, Nasik for Survey No. 83/1d/2, Wadala, Nasik.

2. Urban Land Ceiling Order dated April 27, 1998 bearing no. -1/74/1998 by Additional Collector and Competent Authority, Nasik for Wadala Survey No. 83/1d/2/2, Wadala, Nasik

3. Urban Land Ceiling Order dated March 28, 2007 bearing no. 2-2/26(1)/608/2007 by Additional Collector and Competent Authority, Nasik for Wadala Survey No. 82/1/1/4+3, Nasik

4. Urban Land Ceiling Order dated March 21, 2007 bearing no.A-2-2/26(1)/547/2007 by Additional Collector and Competent Authority for Survey No. 82/1/4, Wadala Nasik

5. Urban Land Ceiling Order dated April 12, 2007 bearing no.A-2-2/26(1)/779/2007 by Additional Collector and Competent Authority for Survey No. 82/1/1/3, Wadala Nasik

6. Urban Land Ceiling Order dated April 12, 2007 bearing no.A-2-2/26(1)/781/2007 by Additional Collector and Competent Authority for Survey No. 82/1/1/2, Wadala Nasik

7. Urban Land Ceiling Order dated April 12, 2007 bearing no.A-2-2/26(1)/771/2007 by Additional Collector and Competent Authority for Survey No. 82/1/1/1, Wadala Nasik

8. Commencement Certificate dated February 21, 2007 bearing no. Nasik/A2/406 by Executive Engineer (Town Planning), Nasik Muncipal Corporation for plot at Survey No. 113/2 of Wadala Shiwar, Nasik.

9. Non agriculture order dated April 11, 2007 bearing no. 324/2006 by Collector, Nasik for Survey No. 113/2, Wadala, Nasik

10. Urban Land Ceiling Order dated May 28, 2007 bearing no. ULC/C-1/Sec20(1)(a)/H.S./10/2007 by Additional Collector and Competent Authority (Urban Land ceiling Regulation) Nasik for Survey No. 113/2, Wadala.

11. Zone Certificate dated November 21, 2005 bearing no. 4137 by Assistant Director, Town Planning, Nashik Municipal Corporation for Survey No. 113

12. Zone Certificate dated April 24, 2007 bearing no. 67 by Assistant Director, Town Planning, Nashik Municipal Corporation for Survey No. 82

13. Zone Certificate dated September 7, 2004 bearing no. A -2/1686 by Assistant Director, Town Planning, Nashik Municipal Corporation for Survey No. 83

XIV. Ajanta Enterprises
Project Name: Forest Hills

1. Urban Land Ceiling Order dated January 5, 1999 bearing no. 575/TA/15016 by Deputy Collector and Competent Authority No. II, Pune Urban Agglomeration (Urban Land ceiling Regulation) Nasik for Survey No. 40/1B/2, 40/2B/2, 41/1A/1, 412A/1, 59/1+ 2+4/1, 59/1+ 2+4/2, 59/1+2+4/3, 59/3, 73/2/2A/I and 72/2B of Village Kharadi

Approvals for our potential real estate development projects

With regard to our potential real estate development projects, which shall be developed by us or by any other entity which we have formed we will be required to obtain applicable zoning and building permissions, environmental consents and certificates of no objection from the Ministry of Environment and Forests, GoI, State Pollution Control Board, fire safety clearances, certificates of no-objection from the AAI, State Electricity Board and completion and occupation certificates from the competent government authority at appropriate stages of the projects.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the Board of Directors in their meeting on September 19, 2007, and by the shareholders of our Company at an EGM held on October 23, 2007.

We have sought confirmation from the DIPP by letter dated April 27, 2007 on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

Prohibition by SEBI

Our Company, our Directors, our Promoters, our Subsidiaries, our Promoter Group, the directors or the person(s) in control of the Promoter, associates and other companies promoted by our Promoter and companies with which our Company's Directors are associated as 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, the 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 DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements under Indian GAAP:

- the Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets;
- the Company has a track record of distributable profits in accordance with Section 205 of Companies Act for at least three of the immediately preceding five years;
- the Company has a net worth of at least Rs. 10 million in each of the three preceding full years;
- the aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of the Company as per the audited balance sheet for the financial year ended March 31, 2007; and
- the Company has not changed its name within the last one year.

The net profit, dividend, net worth, net tangible assets and monetary assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus under the section "Financial Statements" for the last five fiscal years ended March 31, 2007, 2006, 2005, 2004 and 2003 is set forth below:

(Rs. million)

	For the year ended March 31,				
	2007	**2006**	**2005**	**2004**	**2003**
Distributable Profits [(1)]	515.22	156.86	80.62	35.84	31.65
Net Worth [(2)]	2,430.41	530.66	381.48	-	-
Net Tangible Assets [(3)]	4,658.17	2,450.28	1,406.49	-	-
Monetary Assets [(4)]	56.67	92.52	27.43	-	-
Monetary Assets as a % of Net Tangible Assets	1%	4%	2%	-	-

(1) Distributable Profits have been defined under Section 205 of the Companies Act, 1956;

(2) Net Worth has been defined as the aggregate of the equity share capital and reserves, excluding miscellaneous reserves, if any as per the audited financials of the Company;

(3) Net Tangible Assets mean 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.

For a complete explanation of the above figures please refer to the section titled "Financial Statements" on page 149.

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, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND DSP MERRILL LYNCH LIMITED 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, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND DSP MERRILL LYNCH LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 8, 2007 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 IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO

THE 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;

(D) 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; AND

(E) WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITTERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(F) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

The filing of the Draft Red Herring Prospectus does not, however, absolve the company from any liabilities under section 63 or section 68 of the companies act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus."

The Book Running Lead Managers, and us accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his own risk.

All legal requirements pertaining to the issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai, in terms of section 56, section 60 and section 60B of the Companies Act.

Disclaimer from the Company and BRLMs

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.

Caution

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.vascon.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 us.

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 centers or elsewhere.

Neither our Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer Clause of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, Public financial institutions as specified in Section 4A of the Companies Act, 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 and pension funds with minimum corpus of Rs. 250 million, and to permitted non-residents, FIIs registered with SEBI and Eligible NRIs provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Pune, 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 submitted to SEBI. 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 has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus had been filed with SEBI at SEBI Bhavan, C4 –A, G Block, Bandra Kurla Complex, Bandra East Mumbai 400 050.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Maharashtra at Mumbai.

Listing

Applications 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 become liable to repay it, i.e. from the date of refusal or within 15 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 puposes of public disseminitation.

Consents

Consents in writing of: (a) the Directors, the Company Secretary, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) Book Running Lead Managers to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, Domestic Legal Advisors to the Underwriters and Domestic Legal Advisors to the Company, International Legal Advisors to the Underwriters, IPO Grading agency, Architect and Legal counsel to the Issue for Land Summarization to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Anand Mehta & Associates, 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 has not withdrawn such consent up to the time of delivery of the Draft Red Herring Prospectus.

Anand Mehta & Associates, 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 Draft Red Herring Prospectus.

CRISIL Limited, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Expert Opinion

Except the report of CRISIL Limited in respect of the IPO grading of this Issue annexed herewith and except as stated in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expert Opinion in relation to Saleable Area for Real Estate Development Projects

We have obtained an expert opinion dated October 31, 2007 from Chandrakishor Rahatekar, Architects, in relation to saleable area for the Ongoing and Forthcoming Projects. Chandrakishor Rahatekar has given his written consent to act as an Expert, in relation to Saleable Area of the Ongoing and Forthcoming Projects and such consent has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus.

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 borne by our Company.

The estimated Issue expenses are as under:

(Rs.in million)

Activity	Expenses *
Lead management, underwriting and selling commission	[•]
Advertising and Marketing expenses	[•]
Printing and stationery	[•]
Others (Monitoring agency fees, Registrars fee, legal fee, listing fee, IPO Grading Agency fees etc.)	[•]
Total estimated Issue expenses	[•]

**To be completed after finalization of issue price*

Fees Payable to the BRLMs, and the Syndicate Members

The total fees payable to the Book Running Lead Managers, and the Syndicate Members will be as per the letter of appointment dated November 6, 2007 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 us 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 us and the Registrar to the Issue dated October 5, 2007.

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 the Company, 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

Our Company has not made any previous rights and public 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 17, our Company has not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

We do not have any companies under the same management within the meaning of section 370(1)(B) of the Companies Act, which has made any capital issue during the last three years.

Promise v/s performance

Our Company nor any Promoter Group Company or Associate Companies has made any previous rights and public issues.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds as of the date of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public issue 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 us 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 by the Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed M. Krishnamurthi, 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:

M. Krishnamurthi
201, Phoenix
Bund Garden Road
Pune 411 001

Tel: +91 20 2612 8336
Fax: +91 20 2613 1071
Email: compliance.officer@vascon.com

Change in Auditors

Since our inception, Anand Mehta and Associates, Chartered Accountants have been our Auditor. However, during the financial year 2006-07, they changed their name and status from M/s Kulin Mehta & Co., a proprietary firm, into Anand Mehta & Associates, a partnership firm.

Capitalization of Reserves or Profits

Our Company has not capitalized our reserves or profits during the last five years, except as disclosed in 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

No officer of our Company is entitled to any benefit other than the statutory 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 INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorized by the Board of Directors in their meeting on September 19, 2007, and by the shareholders of our Company at an EGM held on October 23, 2007.

We have sought confirmation from the DIPP by letter dated April 27, 2007 on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section "Main Provisions of the Articles of Association" on page 303.

Mode of Payment of Dividend

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [•] per Equity Share. At any given point of time there shall be only one denomination for 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 Shareholder

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and 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 and/or consolidation/splitting, please refer to the section titled "Main Provisions of Our Articles of Association" on page 303.

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 one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Pune, 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 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. 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.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, 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.

Further in terms of Clause 2.2.2A of the SEBI Guidelines, we shall ensure that the number of prospective allottees to whom Equity Shares will be Allotted will not be less than 1,000.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

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.

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 303.

ISSUE STRUCTURE

The present Issue of 10,680,000 Equity Shares at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through the Book Building Process. The Issue will constitute 12.77% of the post Issue paid up capital of the Company. The Company is considering a Pre-IPO Placement of up to 2,000,000 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 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.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares in the Issue*	At least 6,408,000 Equity Shares	Not less than 1,068,000 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 3,204,000 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 Size being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	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) 320,400 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 6,087,600 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.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares	[•] Equity Shares in multiples of [•] Equity Shares
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority,	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable law.		
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	At least 10% of Bid Amount	Full Bid Amount on bidding	Full Bid Amount on bidding

* *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19 (2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allotment 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 320,400 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 the Retail Portion or the Non-Institutional 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.*

** *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

The Company in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but before the allotment of Equity Shares, without assigning any reason thereof.

Bidding/Issue Programme

BID/ISSUE OPENS ON	**[●], 2008**
BID/ISSUE CLOSES ON	**[●], 2008**

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (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) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. 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 1.00 p.m, (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

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

In case of revision in the Price Band, the Issue Period will be extended for 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 site of the BRLMs, and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital of the Company, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allottment 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.

Bidders are required to submit their Bids through the Syndicate. QIB Bids can be procured and submitted only through the BRLMs or their affiliates. In case of QIB Bidders, the Company in consultation with the BRLMs, as the case may be, may reject Bids at the time of acceptance of Bid cum Application Form 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 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 being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs or FIIs applying on a repatriation basis	Blue

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Guidelines and regulations, as applicable.;

- FIIs registered with SEBI;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Subject to the applicable law, Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares; and

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

Note: The BRLMs shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Managers and Syndicate Members may subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The information 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 make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Bids by 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 320,400 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

1. Bid cum application forms (blue in colour) have been made available for Eligible NRIs at our registered office and members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. 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 83,294,706 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. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal 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 on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

We have sought a confirmation from the DIPP by letter dated April 27, 2007 on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

Bids by SEBI registered Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds:

The SEBI (Venture Capital) Regulations, 1996 prescribe investment restrictions on venture capital funds registered with SEBI. Accordingly the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, Venture Capital Funds can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

However, FVCIs are not allowed to participate in this Issue.

Information for the Bidders:

(a) The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same in three newspapers (one each in English, Hindi and Marathi). 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 DIP guidelines, as amended by SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

(c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(d) 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 and should approach any of the BRLMs or Syndicate Members or their authorized agent(s) to register their Bids.

(e) The Members of the Syndicate shall accept Bids from the Bidder during the Issue Period in accordance with the terms of the Syndicate Agreement.

(f) 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.

(g) The Bidding/Issue Period shall be for a minimum of three working days and not exceeding seven working days. In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in three newspapers (one each in English and Hindi) and one Marathi newspaper, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

(h) The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. [●] each, Rs. [●] being the lower end of the Price Band and Rs. [●] being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Rs. [●].

(i) The Company in consultation with the BRLMs reserves the right to revise the Price Band, during the Bidding/Issue Period, in accordance with SEBI Guidelines. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(j) The Company in consultation with the BRLMs can finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date 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.

Method and Process of Bidding

(a) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 281) 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.

(b) 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 "Bids at Different Price Levels and Revision of Bids" on page 281.

(c) 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.

(d) During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(e) 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 287.

Bids at Different Price Levels and Revision of Bids

(a) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders bidding in excess of Rs. 100,000 and such Bids shall be rejected.

(b) Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Price based on the higher end of the Price Band in the Escrow Account. In the event the Bid Price is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account.

(c) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders, if such Bidder wants to continue to bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-off Price.

(d) 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.

(e) 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 Price payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

(f) 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.

(g) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(h) The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(i) 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.

(j) 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 BRLMs, and/or their affiliates 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.

(k) 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.**

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRIs and FIIs applying on a repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares, thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [•] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

(f) Bids by Non Residents, NRIs and FIIs on a repatriation basis shall be 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.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) 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.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly 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 /Issue Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund,Employee etc.
- Numbers of Equity Shares bid for.
- Bid price.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/allotment either by the members of the Syndicate or 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, the BRLMs and/or their affiliates have the right to accept the bid or reject the Bids. 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 290.

(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 Promoter, 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.

(j) 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 BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

GENERAL INSTRUCTIONS

Do's:

a) Check if you are eligible to apply;

b) 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);

c) Ensure that the details about Depository Participant and Beneficiary Account are correct as allotment of Equity Shares will be in the dematerialized form only;

d) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

e) Ensure that you have been given a TRS for all your Bid options;

f) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

g) Where Bid(s) is/ are for Rs. 50,000 or more, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. The copies of the PAN Card or PAN allotment letter should be submitted with the Bid cum Application form. If you have mentioned "Applied for" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof;

h) Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

i) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a) Do not bid for lower than the minimum Bid size;

(b) Do not bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders for bid amount in excess of Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank 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 or the Registrar or 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 their absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ 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.

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 RBI regulations, 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

a. 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 therefor.

b. 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

c. In case of Bids made pursuant to a power of attorney by Mutual Funds, 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

d. 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

e. 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.

f. 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

Escrow Mechanism

The Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds 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. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms.

1. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph titled "Terms of Payment and Payment into the Escrow Account" on page 287) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 274. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

2. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Price, 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. 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.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of QIB Bidders: **"**Escrow Account– Vascon Public Issue – QIB – R"
   - In case of Non Resident QIB Bidders: "Escrow Account– Vascon Public Issue – QIB – NR"
   - In case of Resident Bidders: "Escrow Account– Vascon Public Issue - R"
   - In case of Non Resident Bidders: "Escrow Account– Vascon Public Issue - NR"

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in 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 through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance, or out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a non 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 or NRO account.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated\ will be refunded to the Bidder from the Refund Account.

7. 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.

8. 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.

9. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

10. Incase clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

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 FORMS

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of members of the Syndicate will acknowledge the receipt of the Bid cum Application Form 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 (1st name) 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. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determione 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.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In cases where there are more than 20 valid applicants having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number or PAN

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**. In case the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential

address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

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.

GROUNDS FOR REJECTIONS

In case of QIB Bidders, the BRLMs and/or their affiliates have the right to reject the 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 who bid, our Company has a right to reject Bids based on technical grounds.

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN photocopy/ PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
- 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 bidding in excess of Rs. 100,000.
- 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 Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar 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 Non-residents such as OCBs, FVCIs, multilateral and bilateral development financial institutions;

- Bids by US persons other than "Qualified Insitutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securiies Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Bids not uploaded in the Book would be rejected; and
- Bids or revision thereof by QIB Bidders and Non – Institutional Bidders where the Bid amount is in excess of Rs. 100,000, uploaded after 5.00 p.m. or any such time as prescribed by Stock Exchange on the Bid / Issue closing Date.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.

(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 not less than 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI Guidelines and the 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 category and the Retail Individual category would be met with spill over from any other category at the sole discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 320,400 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

Under-subscription, if any, in any category, would be met with spill over from other categories at our sole discretion in consultation with the BRLMs.

(e) Allocation to Eligible NRIs and FIIs applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the DIPP and RBI, while granting permission for allotment of Equity Shares to them in this Issue.

Signing of Underwriting Agreement and RoC Filing

(a) The Company, the BRLMs, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s)/ Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the Company 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.

(c) The Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

(d) Subject to Section 66 of the Companies Act, 1956 the Company shall after the filing of the Red Herring Prospectus prescribed by the SEBI DIP Guidelines, shall publish advertisement in three newspapers (one each in English, Hindi and Marathi).

(e) The Company will issue an advertisement after the filing of the Prospectus with the RoC in three newspapers (one each in English, Hindi and Marathi). This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any

material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or 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 and/or their affialiates would 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 "Allotment Reconciliation and Revised CANs" as set forth herein under the chapter "Terms of the Issue".

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 Bid Applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [•], 2008, 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 physical 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 and specified in the physical book. 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. It is not necessary that a revised CAN will be sent. 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 Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and allotment of Equity Shares

(a) The Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be 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. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/allotted to them pursuant to this Issue.

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 3,204,000 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 3,204,000 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 1,068,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 1,068,000 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 6,408,000 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
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (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

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (see note 4 below)	Aggregate allocation to MFs
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 274.

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.

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 Managing 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.

PAYMENT OF REFUNDS

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in 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, 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 refunds would be mandatorily done through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by Registrar from the depository participants.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. 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 statge 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 centers 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 allocations. Applicants residing at fifteen centers 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. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI DIP Guidelines, the Company undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date; and
- The Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

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 us, as Refund Banks 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 centers will be payable by the Bidders.

Disposal of applications and application moneys and interest in case of delay

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the 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."

UNDERTAKINGS BY OUR COMPANY

We undertake the following:

- That the complaints received in respect of this Issue shall be attended to by us 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 eligible non-resident Indians or FIIs 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.

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.

Withdrawal of the Issue

The Company in consultation with the BRLMs reserves the right not to proceed with the Issue at anytime including after the Bid/Issue Opening Date without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing date.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among the Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated [●] with NSDL, the Company and the Registrar to the Issue.

b) Agreement dated [●] with CDSL, the Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of the Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. As per current foreign investment policies, foreign investment in the real estate sector is permitted under the automatic route in relation to investments by NRIs.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Foreign Investment in the Real Estate Sector

Foreign investment in the real estate sector is regulated by the relevant provisions of the FDI Manual dated November 2005 ("**FDI Manual**"), the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 **("FEMA Regulations"),** and the relevant Press Notes issued by the **S**ecretariat for Industrial Assistance, GoI.

FDI Manual

Item No. 9 of Annexure II to the said FDI Manual outlines the sectoral caps in relation to 'Housing and Real Estate'. The said annexure, specifies the following as activities under the automatic route in which Investment are permitted only by NRI's:

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

FEMA Regulations

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

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

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

Press Note 2 of 2005

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

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

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

    1. In case of development of serviced housing plots, a minimum land area of 10 hectares.
    2. In case of construction-development projects, a minimum built up area of 50,000 square meters
    3. In case of a combination project, anyone of the above two conditions would suffice

b. Minimum capitalization of US$ 10 million for wholly owned subsidiaries and US$ 5 million for joint ventures with Indian partners. The funds are to be brought in within six months of commencement of business of the Company.

c. Original investment is not to be repatriated before a period of three years from completion of minimum capitalization. The investor is to be permitted to exit earlier with prior approval of the Government through the FIPB. At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor would not be permitted to sell undeveloped plots.

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

We have sought a confirmation from the DIPP by letter dated April 27, 2007 on FIIs being permitted to participate in the Issue under the portfolio investment scheme.

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

Table A not to apply but Company to be governed by these Articles	1.	(a)	To the extent of specific provisions contained in these Articles, 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 observance of the Members thereof and their representatives 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.
		(b)	To the extent of any specific provisions not contained in these Articles but contained in Table A of First Schedule to the Companies Act, 1956, such regulations contained in Table A in the First Schedule to the Companies Act, 1956, in so far as they are applicable to a Public Company shall apply to this Company as if such regulations are contained in these Articles.

INTERPRETATION

Interpretation Clause.	2.	For the purpose of In the interpretation of these articles the following expressions shall have the following meanings, unless repugnant to the subject or context :-
"The Act" or "the said Act".		"**The Act**" or "**the said Act**" means "**The Companies Act, 1956**" as amended up to date or any other Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to companies.
"The Board" or "Board of Directors"		"**The Board**" or the "**Board of Directors**" means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles. Means the directors of the company duly appointed under the provisions of the act.
"The Company" or "This Company"		"**The Company**" or "**This Company**" means "**Vascon Engineers Limited''**.
"Directors"		"**Directors**" mean the Directors for the time being of the Company or as the case may be the Directors assembled at a Board.
"Dividend"		"**Dividend**" includes interim dividend
Gender		Words importing the masculine gender also include the feminine gender.
"Month"		"**Month**" means a calendar month.
"Office		"**Office**" means the Registered Office of the company for the time being in force.
"Persons		"**Persons**" includes individual, companies, corporation and other artificial judicial persons capable of holding shares of the company..
Plural number		Words importing the plural number also include the singular number.
"These presents" or "Regulations".		"**These presents**" or "**Regulations**", means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.
"Seal"		"**Seal**" means the Common Seal for the time being of the Company.
Singular number		Words importing the singular number include the plural number.
"Writing"		"**Writing**" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
Expressions in The		Subject as aforesaid any words or expression defined in the Act shall except where the

Act to bear the same meaning in Articles.

subject or context forbids bear the same meaning in these Articles.

Marginal notes.

The marginal notes hereto shall not affect the construction hereof.

Change of name of the Company

3. The Company may, to reflect the nature of its business and/or its shareholding, by special resolution with the approval of the Central Government signified in writing change its name.

Capital

4. The Authorised Share Capital of the Company is as provided in the Memorandum of Association.

Shares with non-voting rights

5. In the event it is permitted by the Law to issue shares with non-voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

Shares under the control of the Directors.

6. Subject to the provisions of the Act and Article 65 and the other Articles, 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 and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as they may from time to time, think fit and proper, with the sanction of the Company in General Meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid shares. 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.

Inviting / Accepting Deposuts

7. Subject to the provisions of Sections 58A, 292 and 293 of the Act and the rules made thereunder from time to time and directives of the Reserve Bank of India, the Board of Directors may from time to time, invite and/or accept deposits from members of the public and/or employees of the Company or otherwise at such interest rates as may be decided by the Board, subject to the limits as laid down in Companies (Acceptance of Deposits) Rules, 1975. The Board may also pay commission to any person or agency for subscribing to or procuring such deposits.

Directors may allot shares as fully paid-up

8. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid or partly paid-up otherwise than in cash, and, if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

Shares to be numbered progressively & no share to be sub-divided

9. The shares in the capital of the Company shall be numbered progressively according to their several denominations, and except in the manner hereinafter mentioned, no share shall be sub-divided.

Acceptance of shares

10. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

Deposit and calls etc. to be a debt payable Immediately

11. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and

shall be paid by him accordingly.

Instalments on Shares to be duly paid.

12. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

Company not bound to recognise any interest in shares other than that of the registered holders.

13. Except as required by law no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

UNDERWRITING AND BROKERAGE

Commission for placing shares, debentures, etc

14. The Company may subject to the provisions of Section 76 and other applicable provisions (if any) of the Act at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription, whether absolutely or conditionally, for any shares or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares 5% of the price at which the shares are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

CERTIFICATES

Certificates of shares.

15. (a) The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose;

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

PROVIDED ALWAYS that notwithstanding anything contained hereinabove the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.

Members' right to certificates.

(b) Every member shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holders.

Discretion to refuse sub-division or consolidation of

16. Notwithstanding anything contained in the Article 15, the Board may in its absolute discretion refuse applications for the sub-division or consolidation of share, debenture or bond certificates in denominations of less than the marketable lot except when sub-

certificates.

division or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law.

Limitation of time for issue of certificates.

17. The Company shall within three months after the allotment of any of its shares or debentures and within two months after the application for the registration of the transfer of any such shares or debentures complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provided and the Company shall otherwise comply with the requirements of Section 113 and other applicable provisions (if any) of the Act.

As to issue of new certificate in place of one defaced , lost or destroyed.

18. If any certificate be worn out, defaced, torn or be otherwise mutilated or rendered useless from any cause whatsoever, or if there be no space on the back thereof for endorsement of transfers, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
Provided that notwithstanding what is stated above, the Directors shall comply with such rules and regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.
The provisions of this Article shall mutatis mutandis apply to debentures of the company.

CALLS

Board may make calls.

19. The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Directors. A call may be made payable by instalments.

Calls on shares of same class to be made on uniform basis.

20. Where after the commencement of the Act, any calls for future share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article , shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

Notice of call.

21. Fifteen days' notice at the least of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company the name of the person to whom the call shall be paid; provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

Call to date from Resolution.

22. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Directors may extend time.

23. The Directors may from time to time, at their discretion, extend the time fixed for the payment of any call; and may extend such time as to all or any of the members for any cause or reason that the Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

Amount payable at fixed time or by instalments as calls.

24. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times (whether on account of the amount of share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

When interest on call or installment payable.

25. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate of interest as may be determined by the Directors from time to time from the day appointed for the payment thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

Judgement decree or partial payment not to preclude forfeiture.

26. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided.

Proof on trial of suit for money due on shares.

27. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minutes book and that notice of such calls was duly given in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment in anticipation of calls may carry interest.

28. The Directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for; and upon the moneys so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made upon the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE AND LIEN

If call or installment not paid notice must be given

29. If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

Terms of Notice.

30. The notice shall name a day (not being less than 15 days from the date of the notice) on or before which such call instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) to the person 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.

31. If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys or dues in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Entry of forfeiture in Register of Members.

32. When any share shall have been so forfeited, an entry of the forfeiture, with the date thereof shall be made in the Register of Members.

Forfeited shares to be property of the Company and may be sold etc.

33. 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 Directors shall think fit.

Power to annul forfeiture.

34. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit.

Shareholder still liable to pay money owing at time of forfeiture and interest.

35. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate of interest as may be determined by the Directors from time to time and the Directors may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.

Company's lien on shares.

36. 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 called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

As to enforcing lien by sale.

37. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid, the certificates in respect of the shares sold shall stand cancelled and become *null and void* and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

Application of proceeds of sales.

38. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debts, liabilities or engagements of such member and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold.

Certificate of forfeiture.

39. A certificate in writing under the hands of two Directors, that the call in respect of a share was made, and notice thereof given, and that default in payment of the call was made, and that the forfeiture of the share was made, by a resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

Title of purchaser and allottee of forfeited shares

40. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

TRANSFER AND TRANSMISSION OF SHARES

Register of

41. The Company shall keep a book to be called the "Register of Transfers" and therein

Transfers.

shall be fairly distinctly entered the particulars of every transfer or transmission of any share.

Form of transfer.

42. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly comply with in respect of all transfer of shares and registration thereof.

Application for transfer.

43. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(3) For the purposes of Clause (2) above notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

To be executed by transferor and transferee

44. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Transfer not to be registered except on production of instrument of transfer.

45. The Company shall not register a transfer of shares in the Company 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 occupations, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares; Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Directors may refuse to register transfer.

46. Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any 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 of interest of a member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the limitation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving limitation 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 either 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.

Notice of refusal to be given to transferor and transferee.

47. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within two months from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

Transfer by legal representative.

48. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Custody of transfer.

49. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period

as they may determine.

Closure of transfer books.

50. The Directors shall have power on giving not less than seven days' previous notice by advertisement as required by Section 154 of the Act to close the transfer books of the Company for such period or periods of time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time as the Board may deem fit.

Title to shares of deceased holder

51. The executors or administrators or a holder of a Succession Certificate in respect of the estate of a deceased member not being one of two or more joint holders shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors or administrators unless such executors or administrators shall have first obtained Probate or Letters of Administration as the case may be, from a duly Constituted Court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or Succession Certificate and under the next Article 52, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

52. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by 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 that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares; Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of such shares. This Clause is herein referred to as the Transmission Clause.

Refusal to register nominee.

53. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Board may require evidence of transmission

54. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Fee on transfer or transmission.

55. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of death or marriage, Power of Attorney or similar other document.

Company not liable for disregard of a notice prohibiting registration of transfer

56. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

CONVERSION OF SHARES INTO STOCK

Conversion of shares into stock and reconversion.

57. The Company may, by ordinary resolution of the Company in general meeting :-

(a) convert any paid- up shares into stock;
And

(b) convert any stock into paid-up shares of any denomination.

Transfer of stock. 58. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Rights of Stock holders 59. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except dividends, participation in profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Regulations. 60. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up shares shall apply to stock and the words "share" and "member" in those regulations shall include "stock" and "stockholder" respectively.

SHARE WARRANTS

Issue of Share Warrants. 61. The Company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

Rights of the holder of a Warrant. 62. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be a member of the Company.

In case of defacement, loss or destruction. 63. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

INCREASE, REDUCTION AND ALTERATION IN CAPITAL

Increase of Capital. 64. (a) The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amount as it thinks expedient.

(b) Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges

annexed thereto as by the general meeting creating the same shall be directed and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

Rights of shareholders to further issue of capital.

65. 1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then :

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date ;

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) 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 of Directors may dispose of them in such manner as they think most beneficial to the company.

2 Notwithstanding anything contained in subclause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a Special Resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be), in favour of the proposal contained in the Resolution moved in 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 of Directors in that behalf, that the proposal is most beneficial to the Company.

3 Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

4 Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company :

(a) To convert such debentures or loans into shares in the

company ; or

(b) To subscribe for shares in the company

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :

(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 or 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 the loans.

Same as original capital.

66. 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 part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Restrictions on purchase by Company of its own shares.

67. (1) The Company shall not have the power to buy its own shares unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

(2) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of loan, guarantee, the provision of security or otherwise any financial assistance for the purpose, of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

Buy-Back of Shares.

68. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law.

Reduction of capital.

69. The Company may from time to time by Special Resolution reduce its share capital in any way authorised by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Consolidation, division and sub-division.

70. The Company may in general meeting alter the conditions of its Memorandum as follows:

(a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.

(b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act and of these Articles.

(c) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Issue of further pari passu shares not to affect the right of shares already issued.

71. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

MODIFICATION OF CLASS RIGHTS

Power to modify class rights.

72. If at any time the share 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, and whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to general meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

JOINT-HOLDERS

Joint Holders

73. Where two or three persons are registered as the holders of any share they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in these Articles :-

Company may refuse to register more than four persons.

(a) The Company shall be entitled to decline to register more than four persons as the joint-holders of any share.

Title of survivors.

(b) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

Joint and several liability for all payments in respect of shares.

(c) On the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

Receipts of one sufficient.

(d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

Delivery of certificate and giving of notices to first named holders.

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed to be served on all the joint-holders.

Votes of joint-holders.

(f) Any one of two or more joint-holders may vote at any meeting either personally or by attorney duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting; Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorised under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

DEMATERIALISATION OF SECURITIES

Definitions

74. (i) For the purpose of this Article :-

Beneficial Owner'.

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI'

'SEBI' means the Securities and Exchange Board of India;

'Depository'.		**'Depository'** means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and
'Security'.		**'Security'** means such security as may be specified by SEBI from time to time.
Dematerialisation of Securities	(ii)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
Options for investors	(iii)	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
Re-materialization	(iv)	Upon request by the Investors holding securities of the Company in fungible / electronic form, such securities or part thereof as may be desired by the concerned investors shall be eligible to be converted/ reconverted into physical form subject to applicable law. In such event, both the concerned investor and the Company shall comply with the bye-laws and regulations of the Depositories as may be in force from time to time and that the physical shares to be issued on such conversion shall be subject provisions contained in these articles or the Companies Act, 1956, as may be relevant for issue of shares to the extent applicable for updating the Register of Members and issue of share certificates.
Securities in depositories to be in fungible form	(v)	All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Rights of depositories and beneficial owners	(vi)	(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (b) Save as otherwise provided in (a) above, 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. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
Service of documents	(vii)	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of	(viii)	Nothing contained in Section 108 of the Act or these Articles shall

Securities

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.

Allotment of Securities dealt with in a depository

(ix) Notwithstanding anything in the 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

Distinctive numbers of Securities held in a depository

(x) Nothing contained in the 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.

BORROWING POWERS

Power to Borrow.

75. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

Conditions on which money may be borrowed.

76. Subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Bonds, debentures, etc. to be subject to control of Directors.

77. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Securities may be assignable free from equities.

78. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Issue at discount etc. or with special privileges

79. Subject to the provisions of the Act and these Articles, any bonds, 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 special privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the 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 the General Meeting by a Special Resolution.

Mortgage of uncalled capital.

80. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may by instrument under the Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

Indemnity may be given.

81. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETINGS

CONVENING MEETINGS

Annual General Meetings.

82. (1) The Company shall, in addition to any other meetings, hold a general meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provisions herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; Provided however, that if the Registrar of Companies (ROC) shall have for any special reason extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the ROC. Except in the cases where the ROC has given an extension of time as aforesaid for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. However, subject to the provisions of Sections 166 and 210 of the Act the First Annual General Meeting may be held within 18 months from the date of Incorporation of the Company.

(2) Every Annual General Meeting shall be called for at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company for the time being is situate. The notice calling the meeting shall specify it as the Annual General Meeting.

Extraordinary General Meeting

83. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Directors may call EGM

84. The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

Calling of Extraordinary General Meeting on requisition.

85. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

(2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(3) The requisition may consist of several documents in like form, each signed by one or more requisitionists

(4) Where two or more distinct matters are specified in the requisition, the provisions of Clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Clause is fulfilled.

(5) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or

not less than one-tenth of such of the paid up capital of the Company as is referred to in Clause (1) above whichever is less.

(6) A meeting called under Clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after expiration of three months from the date of the deposit of the requisition.

(7) Any reasonable expense incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

Notice of meeting. 86. (1) A general meeting of the Company may be called by giving not less than 21 clear days' notice in writing.

(2) However, a general meeting may be called after giving shorter notice than 21 clear days, if the consent is accorded thereto;

(i) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and

(ii) in the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

PROVIDED that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this Clause in respect of the former Resolution or Resolutions but not in respect of the latter.

Contents of Notice. 87. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.

(2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.

Special Business. 88. (1) In the case of the Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :-

(i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors;

(ii) the declaration of dividend;

(iii) the appointment of Directors in the place of those retiring;

(iv) the appointment of and the fixing of the remuneration of the Auditors.

(2) In the case of any other meeting all business shall be deemed special.

(3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest, therein of every Director.

Provided, however, that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, any other company, the extent of shareholding interest in that company of every Director of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company.

(4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

Service of Notice.

89. Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and by these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Notice to be given to the Auditors.

90. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 53 in the case of any member or members of the Company.

As to omission to give Notice.

91. The accidental omission to give notice of any meeting to or the non-receipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Resolutions requiring Special Notice.

92. (1) Where, by any provision contained in the Act or in these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than seven days before the meeting.

Postal Ballot

(3) Notwithstanding anything contained in these articles, the Company shall comply with provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot), Rules, 2001 as amended from time to time for the purpose of seeking approval of members in respect of the subjects prescribed under the said Postal Ballot Rules.

PROCEEDINGS AT GENERAL MEETINGS

Quorum at General Meeting

93. Five members entitled to vote and present in person shall be a quorum for a general meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

Proceedings when quorum not present.

94. If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum be not present those members present shall be a quorum and may transact the business for which the meeting was called.

Business at adjourned meetings.

95. No business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place.

Chairman of Directors or Deputy Chairman, or Vice Chairman or a Director to be

96. (1) The Chairman of the Board of Directors shall if willing, preside as Chairman at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal, the Deputy Chairman or Vice-Chairman of the Board of Directors shall, if willing, preside as Chairman at such

Chairman of General Meeting

meeting and if there be no such Deputy Chairman or Vice Chairman, or in case of his absence or refusal, one of the Directors present shall be chosen to be the Chairman of the meeting.

In case of their absence or refusal a member may act.

(2) If at any meeting a quorum of members shall be present, and the chair cannot be taken by the Chairman of the Board or by the Deputy Chairman or the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair, the members present shall choose one of their own number to be Chairman of the meeting.

Business confined to election of Chairman whilst chair vacant.

97. (1) No business shall be discussed at any General Meeting whilst the chair is vacant except the election of a Chairman.

(2) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles. The Chairman so elected on show of hands shall be entitled to exercise all the powers of the Chairman at such meeting under the Act and these Articles.

(3) If some other person is elected as a Chairman as a result of the poll he shall be Chairman for the rest of the meeting.

Chairman with consent may adjourn meeting.

98. The Chairman with the consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place.

Notice to be given where a meeting adjourned for 30 days or more.

99. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

What would be the evidence of the passing of resolution where poll not demanded.

100. At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll.

101. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion or shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at anytime by the person or persons who make the demand.

Time and manner of taking poll.

102. A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct, subject to provisions of the Act. The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Scrutineers at poll.

103. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

Demand for poll not to prevent transaction of

104. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

other business.

Motion how decided in case of equality of votes.

105. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Reports, Statements and Registers to be laid on the table.

106. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

Minutes of General Meetings.

107. The Company shall cause minutes of the proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act, by making within thirty days of the conclusion of each such meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

Inspection of minute books of General Meetings.

108. The book containing the aforesaid minutes shall be kept at the registered office and be open during business hours to the inspection of any member without charge subject to such reasonable restriction as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of such amount for such number of words required to be copied as may be prescribed by the Government from time to time.

VOTING OF MEMBERS

Votes may be given by proxy or attorney

109. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and the Articles.

Number of Votes to which Members entitled.

110. (1) Subject to the provisions of the Act and these Articles upon show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and the Article 111 or by attorney or in the case of a body corporate by proxy shall have one vote.

(2) Subject to the provisions of the Act and these Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and in respect of every Share (whether fully paid or partly paid) his voting right shall be in the same proportion as the capital paid up on such Share bears to the total paid-up capital of the Company.

No voting by proxy on show of hands.

111. No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by proxy in which case such attorney or representative or proxy may vote on a show of hands as if he were a member of the Company.

Votes in respect of shares of deceased or insolvent members

112. Any person entitled under the Transmission Clause (Article 52 hereof) to transfer any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares provided that atleast forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

No member to vote unless calls are paid up.

113. Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

Right of member to use his votes differently.

114. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Proxies.

115. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

Appointment of proxy.

116. Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing, or, if the appointor is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Deposit of instrument of appoitment.

117. (1) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than forty-eight hours before the time of holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other instrument appointing him or notarially certified copy thereof or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

Inspection of proxies

(2) Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company.

Form of Proxy.

118. An instrument appointing a proxy shall be in the form as prescribed by the Act or a form as near thereto as circumstances admit.

Custody of the instrument.

119. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

Validity of votes given by proxy notwithstanding death of member.

120. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer of the share in respect of which the

vote is given, provided that no intimation in writing of the death revocation or transfer shall have been received at the office of the Company before the meeting.

Time for objection to votes.

121. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of any meeting to be the judge of validity of any vote.

122. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and subject as aforesaid the Chairman present at the time of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

Number of Directors

123. Until otherwise determined by a general meeting, the number of directors shall not be less than 3 or more than 12.

Independent Directors.

124. The Company shall appoint such number of independent directors as may be required under applicable Law including any listing agreement entered into by the Company with any recognised stock exchange.

Financial Insitutions' Directors

125. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys by way of loans/privately placed debentures remain owing by the Company to any financial institution as defined under the Act, the financial institutions shall jointly have a right to appoint such nominees as may be agreed upon by the company and the institution as directors on the Board of the Company (hereinafter described as Financial Institutions' Directors).

The Directors so appointed will not be required to hold qualification shares and they will not be liable to retire by rotation. The financial institutions may at any time and from time to time remove the nominee or nominees appointed by them and on a vacancy being caused in such office from any cause, whether by resignation, removal or otherwise, appoint another or others in his/their place. Such appointment or removal shall be by notice in writing to the Company. The Board of Directors of the Company shall have no power to remove such nominee or nominees from office. Each such nominee shall be entitled to the same rights, privileges and obligations as any other Director of the Company, and shall also be entitled to attend any general meeting of the Company. The Company shall pay to such Directors normal fees and expenses to which the other Directors are entitled. The Company shall also pay or reimburse any expenses that may be incurred by financial institutions or such directors in connection with their appointment. Such Directors as well as financial institutions shall be entitled to receive all notices and other communications (including agenda) relating to meetings of the Board and its committees and general meetings of the Company and the minutes of all such meetings.

Debenture Director.

126. Notwithstanding anything to the contrary contained in the Articles, so long as any Debentures issued by the Company remain outstanding the holders of such Debentures shall, in accordance with the provisions of the Trust Deed securing such Debentures, have a right to appoint and nominate from time to time any person or persons as a Director or Directors on the Board of the Company and to remove and reappoint any person or persons in his or their place or places. A Director so appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. The Board of Directors of the Company shall have no power to remove from office the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director of the Company other than a Managing or Wholetime Director.

Debenture Director not to retire by rotation.

127. The Debenture Director shall not be liable to retirement by rotation subject however to the provisions of the Trust Deed securing such Debentures.

Appointment of Alternate Director.

128. The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State in which the meetings are generally held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend

and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the said state. If the term of office of the original Director is determined before he so returns to the said state, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.

Casual vacancy.

129. Subject to the provisions of Sections 261, 262(2) and 284(6) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date up to which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.

Appointment of Additional Directors.

130. Subject to the provisions of Sections 260, 261 and 284(6) and other applicable provisions (if any) of the Act, the Directors shall have powers at any time and from time to time to appoint a person as an Additional Director. The Additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for re-election.

No Share Qualification of Directors.

131. A Director of the Company shall not be required to hold qualification shares.

Remuneration of Directors.

132. (1) The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act and rules formed there under or the Central Government from time to time for each meeting of the Board of Directors attended by him. Subject to the limitation provided by the Act, such remuneration and/or additional remuneration as may be fixed by the Directors, may be paid to any one or more of the Directors for services rendered by him or them; and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination within the year equally. Such remuneration and/or additional remuneration may be by way of salary or commission on dividends, profits or turnover or by participation in profits or by any or all of those modes;
Provided that any commission on dividends, profits, or turnover or any participation in profits of the company shall not exceed the limit prescribed in sec 309 of Companies Act, 1956 from time to time.

Provided that any commission on dividends, profits or turnover or any participation in profits of the Company shall not exceed in the aggregate the equivalent of 3 per cent of the net profits of the Company as defined in Section 349 of the Act. Nothing in this Article shall restrict the right of the Directors as regards the distribution of general bonus to all members of the staff.

Directors not bona fide residents of the place where meetings held may receive extra compensation and remuneration of committee.

(2) The Directors may subject as aforesaid allow and pay to any Director who is not a *bona fide* resident of the place where a meeting is to be held who shall come to such place for the purpose of attending a meeting such sum as the Directors may consider fair compensation for travelling expenses, in addition to his fee for attending such meeting as above specified, and the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Directors in terms of these Articles, and may pay the same.

Special remuneration to Director on Company's business or otherwise performing extra

(3) If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out or otherwise for any of the purposes of the Company, the Company shall subject as aforesaid remunerate such Director either by a fixed sum or by a percentage of profits not exceeding 3 per cent of the net profits of the Company as defined in Section 349 of the Act or otherwise as may be determined by the Directors and such remuneration may be

services.

either in addition to or in substitution for his remuneration above provided.

Directors may act notwithstanding vacancy

133. The continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company or in emergencies.

When office of Director to become vacant

134. The office of a Director shall become vacant as provided in Section 283 of the Act.

Resignation.

135. Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

Directors may contract with Company.

136. (1) Subject to the provisions of Clauses (2), (3), (4) and (5) of this Article and the restrictions imposed by Article 141 and the other Articles hereof and the Act and the observance and fulfillment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by Clauses (2), (3) and (4) hereof.

Disclosure of interest.

(2) Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Clause (4) hereof.

(3) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by Director under Clause (2) above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

General Notice of interest.

(4) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh Notice given in the last month of the Financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting, of the Board after it is given.

(5) Nothing in clauses (2), (3) and (4) hereof shall apply to any contract

or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company.

Interested Director not to participate or vote in Board's proceedings.

(6) An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; Provided that this prohibition shall not apply

(i) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

(ii) to any contract or arrangement entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid-up capital of such company.

(iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

Directors may be directors of companies promoted by the Company.

137. A Director of the Company may be, or become a director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise, and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefit received as director or member of such company.

Disclosure by Director of appointments.

138. A Director shall within twenty days of his appointment or relinquishment of his office as Director, Managing Director, Manager or Secretary, in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303(1) of the Act. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with Section 303 of the Act.

Disclosure of holdings.

139. A Director shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307 of the Act. If such notice be not given at a meeting of the Board of Directors, the Director shall take all reasonable steps to secure that it be brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's holding of shares as debentures as aforesaid in a Register kept for that purpose in conformity with Section 307 of the Act.

Loans to Directors.

140. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions (if any) of the Act.

Board Resolution at a meeting necessary for certain contracts

141. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services, or (b) for underwriting the subscription of any shares in, or debentures of, the Company.

(2) Nothing contained in the foregoing Clause (1) shall affect :-

(a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any

Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative firm, partner or private company as the case may be, regularly trades or does business;

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

(3) Notwithstanding anything contained in the foregoing Clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.

(4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under Clause (1) above shall not be deemed to have been given within the meaning of that Clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.

(5) If consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

(6) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

RETIREMENT AND ROTATION OF DIRECTOR

Retirement by rotation.

142. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose periods of office is liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.

(2) The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act.

Directors to retire annually how determined.

143. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

Ascertainment of Directors retiring by rotation.

144. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed.

Eligibility for re-

145. Subject to the provisions of the Act and these Articles, a retiring Director shall be

appointment.

eligible for re-appointment.

Company to fill up vacancy.

146. Subject to the provisions of Section 261 and other applicable provisions (if any) of the Act and these Articles, the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or one other person thereto.

Provisions in default of appointment.

147. (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place; or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place.

(2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :-

(a) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed.

(c) he is not qualified or is disqualified for appointment;

(d) a resolution, whether special or Ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act;

(e) Article 149 or sub-section (2) of Section 263 of the Act is applicable to the case

Notice of candidature for Office of Director.

148. (1) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has at least fourteen clear days before the meeting left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, alongwith a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director

(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.

(3) A person other than -

(A) a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(B) an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under section 262 of the Act appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office or

(C) a person named as a Director of the Company under its Articles as first registered

shall not act as a Director of the Company unless he has within thirty days of his appointment, signed and filed with the Registrar his consent in writing to act as such Director.

Individual Resolution for Directors' appointments.

149. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Articles shall be void whether or not objection was taken at the time of its being so moved; Provided that where a resolution so moved is passed no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

REMOVAL OF DIRECTORS

Removal of Directors.

150. (1) The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director before the expiry of his period of office.

(2) Special notice as provided by Article 92 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed

(3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and be send a copy of the representations to every member of the Company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Article 129 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under Clause (2) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled under Clause (5) hereof it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 129 or Section 262 of the Act, and all the provisions of that Section shall apply accordingly.

(7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(8) Nothing contained in this Article shall be taken :-

(a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as a Director; or

(b) as derogating from any power to remove a Director which may exist apart from this Article.

INCREASE OR REDUCTION IN THE NUMBER OF DIRECTORS

increase or reduce number of Directors and alter

151. Subject to the provisions of the Act and these Articles, the Company may by ordinary resolution from time to time increase or reduce the number of Directors and alter their qualification.

their qualification

PROCEEDINGS OF BOARD OF DIRECTORS

Meetings of Directors.

152. The Directors may meet together as a Board for the despatch of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board which had been called in compliance with the terms herein mentioned could not be held for want of a quorum.

When meetings to be conveyed

153. A Director may at any time and the Secretary upon the request of a Director, shall convene a meeting of the Directors. Notice of every meeting of the Directors of the Company shall generally be given in writing to every Director for the time being in India and at his usual address in India to every other Director.

Quorum.

154. Subject to the provisions of Section 287 and other applicable provisions (if any) of the Act the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at that time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

Adjournment of meeting for want of quorum.

155. If a meeting of the Board cannot be held for want of a quorum then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.

Appointment of Chairman, Deputy Chairman and Vice-Chairman.

156. (1) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office.

(2) The Directors may appoint a Deputy Chairman or a Vice Chairman of the Board of Directors to preside at meetings of the Directors at which the Chairman shall not be present.

Who to preside at meetings of the Board.

157. All meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same the Deputy Chairman or the Vice-Chairman, if present shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

Question at Board Meeting how decided (casting vote)

158. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the meeting (whether the Chairman, Deputy Chairman or Vice-Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote.

Directors may appoint Committees.

159. Subject to the provisions of Section 292 of the Act and Article 167, the Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

Meetings of Committees how to be governed

160. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding

Article.

Resolution by Circular.

161. (1) A resolution passed by circular, without a meeting of the Board or a Committee of the Board appointed under Article 159 shall subject to the provisions of Clause (2) hereof and the Act be as valid and effectual as a resolution duly passed at a meeting of the Directors or of a Committee duly called and held.

(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution.

Acts of Board or Committees valid notwith-standing defect in appointment

162. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

Minutes of proceedings of Board of Directors and Committees to be kept.

163. The Company shall cause minutes of the meetings of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 193 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following :-

(i) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;

(ii) all orders made by the Board of Directors or Committees of the Board and all appointments of officers and Committees of Directors;

(iii) all resolutions and proceedings of meetings of the Board of Directors and the Committees of the Board;

(iv) in the case of each resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of the Directors, if any, dissenting from or not concurring in the resolution

By whom minutes to be signed and the effect of minutes recorded.

164. All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be *prima facie* evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place

POWERS OF DIRECTORS

General powers of the Directors.

165. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power to do any act or things which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

(2) 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.

Consent of Company necessary for the exercise of certain powers

166. The Board of Directors 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 amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) above, or of any premises 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 a considerable time;

(d) borrow moneys in excess of the limits provided in Article 75.

(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 fifty thousand rupees or five per cent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding whichever is greater.

Certain powers to be exercised by the Board only at meeting.

167. (1) Without derogating from the powers vested in the Board of Directors under these Articles the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board :-

(a) the power to make calls on shareholders in respect of money unpaid on their shares;

(b) the power to issue debentures;

(c) the power to borrow moneys otherwise than on debentures;

(d) the power to invest the funds of the Company;

(e) the power to make loans;

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or the Managing Director or any other principal officers of the Company or to a principal officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.

(2) Every resolution delegating the power referred to in Clause (1) (c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegates; Provided, however, that where the Company has an arrangement with its bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangement is made is availed of shall not require the sanction of the Board.

(3) Every resolution delegating the power referred to in Clause (1)(d) shall specify the total amount upto which the funds may be invested and the nature of the investments which may be made by the delegates.

(4) Every resolution delegating the power referred to in Clause (1)(e) shall specify the total amount upto which loans may be made by the delegates, the purposes for which the loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases.

(5) Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in Clause (1) above.

REGISTERS, BOOKS AND DOCUMENTS

Registers, Books

168. (1) The registers, books and documents shall be maintained in conformity

and Documents.

with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf, be determined in accordance with the provisions of the Act or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.

(2) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act. Subject to the provisions of Sections 157 and 158 the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debenture holders.

THE SEAL

169. The Directors shall provide a Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given.

170. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of atleast one Directors or such other person as the Board may appoint for the purpose; and such Director or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence subject to the provisions of applicable law.

171. The Company may exercise the powers conferred by Section 50 of the Act and such powers shall accordingly be vested in the Directors.

MANAGING OR WHOLE-TIME DIRECTOR(S)

Power to appoint Managing or Whole-time Director(s).

172. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

What provisions they shall be subject to.

173. Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 142, if the Board so resolves at it's independent discretion, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Whole-time Director, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 142 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

Remuneration of Managing or Whole-time Directors.

174. The remuneration of a Managing Director or Whole-time Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall from time to time be fixed by the Directors and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of those modes. A Managing Director or Whole-time Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company.

Provided that in case the Company makes any loss or there is inadequacy of profits in a financial year, remuneration to the Managing Director shall be paid as per schedule XIII

of the companies act, 1956.

Powers and duties of Managing or Whole-time Directors.

175. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Director or Directors appointed under Article 172, with power to the Directors to distribute such day to day management functions among such Directors, if more than one, in any manner as directed by the Board or to delegate such power of distribution to any one of them. The Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGER OR SECRETARY

176. Subject to the provisions of the Act, —

(1) a manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any manager or secretary so appointed may be removed by the Board,

(2) a director may be appointed as manager or secretary.

177. A provision of the Act, or these regulations requiring or authorising a thing to be done by or to a director and the manager or secretary shall not be satisfied by its being done by or to the same person acting both as director and as or in place of, the manager or secretary.

INTEREST OUT OF CAPITAL

Payment of interest out of capital.

178. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital, as is for the time being paid up, for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of plant.

DIVIDEND

Dividend.

179. The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively;

Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment.

Capital paid up in advance at interest not to earn Dividend

180. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

181. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

The Company in General Meeting may declare a Dividend.

182. The Company in general meeting may, subject to Section 205 of the Act, declare a dividend to be paid to the members according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. When a dividend has been so declared, the warrant in respect thereof shall be posted within

thirty days or within such time as the Central Government may prescribe from time to time, from the date of the declaration to the shareholders entitled to the payment of the same unless the Company decides to pay the dividend in the manner mentioned in Article 188(b) of these Articles.

Power of Directors to limit Dividend.

183. No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend. No dividend shall be payable except out of the profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act and no dividend shall carry interest as against the Company. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim Dividend.

184. Subject to the provisions of the Act, the Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Retention of Dividends until completion of transfer under Article 52,

185. Subject to the provisions of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is, under Article 52 hereof, entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof

186. Subject to the provisions of the Act 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 otherwise howsoever either alone or jointly with any other person or persons; and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

Transfer of shares must be registered.

187. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividends, how remitted.

188. (a) Unless otherwise directed any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint-holders to that one of them first named in the register in respect of the joint-holding. Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost by the member or person entitled thereto or for any forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Payment of Dividend by other than Dividend Warrants

(b) Alternatively the Board of Directors reserve the right to remit Dividends to the Bank accounts of the eligible share/security holders either by direct transfer through banking channels or through Electronic Credit System to the Bank accounts details of which may be provided by the concerned share/security holders or as may be available on the concerned records of the Depositories in respect of such security holders.

Dividend and Call together.

189. Any General Meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members be set off against the calls.

Unnpaid or unclaimed dividend

189A Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, The Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in any scheduled bank, to be called as an Unpaid Dividend Account of the Company for that year. Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under section 205C of the Act or to such other Fund/Account as the Central Government may prescribe from time to time.

No unclaimed or unpaid dividend shall be forefeited by the Board.

CAPITALISATION

Capitalisation. 190. (1) Any general meeting may, upon the recommendation of the Board, resolve that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalised :-

(a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

Provided further that notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may also be utilised (other than for Capitalisation), in accordance with the provisions of law.

(2) Such issue and distribution under (1)(a) above and such payment to credit to unpaid share capital under (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital.

(3) The Directors shall give effect to any such resolution and apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stocks, bonds or other obligations of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement, for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

(5) When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such

contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

Capitalisation in respect of partly paid up shares.

191. Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied *pro rata* in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

ACCOUNTS

Books of Accounts to be kept.

192. (1) The Company shall keep at its registered office proper books of accounts with respect to :

(a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(b) All sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.

(3) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.

(4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

Books of Account to be preserved.

193. The Books of Account, together with the vouchers relevant to any entry in such Books of Account of the Company relating to a period of not less than eight years or such lesser period as may be permitted by the Act immediately preceding the current year shall be preserved in good order.

Inspection by members of accounts and books of the Company.

194. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.

AUTHENTICATION OF DOCUMENTS

Authentication of documents and proceedings.

195. Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director or the Company Secretary or an authorised officer of the Company and need not be under its Seal.

WINDING UP

Distribution of assets.

196. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind.

197. (1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction shall think fit.

(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.

(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall if practicable act accordingly.

Rights of shareholders in case of sale.

198. A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

SECRECY CLAUSE

199. No members shall be entitled to visit or inspect the Company's Works without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors' and others' right to indemnity.

200. (a) Subject to the provisions of Section 201 of the Act, every Director of the Company, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary or officer or servant or in any way in the discharge of his duties.

(b) Subject as aforesaid every Director, Managing Director / Manager, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.

Not responsible for acts of others

201. Subject to the provisions of Section 201 of the Act no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Secretary or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Maharashtra for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate 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 November 6, 2007 to the BRLMs from our Company appointing them as the BRLMs.

2. Memorandum of Understanding amongst our Company and the BRLMs dated November 8, 2007

3. Escrow Agreement dated [•], between the Company, the BRLMs, the Escrow Banks, and the Registrar to the Issue.

4. Syndicate Agreement dated [•], between the Company, the BRLMs, and the Syndicate Members.

5. Underwriting Agreement dated [•], between the Company, the BRLMs, and Syndicate Members.

7. Memorandum of Understanding amongst our Company and the Registrar to the Issue dated August 20, 2007

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.

2. Our certification of incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders' resolutions in relation to the Issue.

5. Resolutions of the general body for appointment and remuneration of our whole-time Directors.

6. Statement of Tax Benefits from Anand Mehta and Associates, Chartered Accountants dated November 2, 2007 Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.

7. Certificates dated September 10, 2007 from Anand Mehta and Associates, Chartered Accountants (regarding objects of the Issue)

8. Copies of annual reports of our Company for the years ended March 31, 2003, 2004, 2005, 2006 and 2007.

9. Consent of Anand Mehta and Associates, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements as at and for the each of the years ended March 31, 2007, 2006, 2005, 2004 and 2003 in the form and context in which they appear in the Draft Red Herring Prospectus.

10. Consents of Bankers to the Company, BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Domestic Legal Advisors to the Company, Domestic Legal Advisors to the Underwriters, Legal Counsel to the Issue for Land Summarization, International Legal Advisors to the Underwriters, IPO Grading Agency, Architect, Directors of the

Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

11. Shareholder agreement dated June 21, 2006 entered into by us with HDFC Ventures Trustee Company Limited acting in its capacity of trustee of HDFC Property Fund investing through its scheme called "HDFC India Real Estate Fund", R. Vasudevan and the Other Shareholders.

12. General powers of attorney executed by our Directors in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

13. Shareholders agreement dated August 31, 2006 between our Company, Calypso Premises Private Limited and Behram Dubash Properties Private Limited.

14. Shareholders agreement dated April 27, 2007 between our Company, Pricol Property Development Limited and Vascon Pricol Infrastructure Limited.

15. Shareholders agreement dated May 9, 2007 between our Company, Spring Leaf Investments Limited and Ascent Hotels Private Limited.

16. Shareholders agreement and Share Subscription agreement dated October 15, 2007 between our Company, John Fowler Ophthalmics Private Limited and its other shareholders.

17. Shareholders agreement and Share Subscription agreement dated October 15, 2007 between our Company, Marathawada Realtors Private Limited and its other shareholders.

18. Shareholders agreement and Share Subscription agreement dated October 15, 2007 between our Company, Almet Corporation Limited and its other shareholders.

19. Deed of conveyance dated February 15, 2007 between our Company and Jolly Steels Industries Private Limited.

20. Joint Venture agreement dated April 28, 2007 between our Company and Syndicate Realtors

21. Development agreement dated June 19, 2007 between our Company and Ramdas Tukaram Tupe.

22. Memorandum of Understanding dated August 31, 2006 between our Company, Tushad Behram Trust, and Calypso Premises Private Limited.

23. Development agreement dated October 31, 2006 between our Company Angelica Properties Private Limited, Gulabbhai S. Shah and others and Clover Resorts Private Limited (a former subsidiary of our Company.

24. Development agreement dated March 28, 2002 between Marigold Premises Private Limited, and Mr. Harakchand Uttamchand Khinvasara and others.

25. Partnership deed dated September 24, 2007 between our Company and Madhur Realtors Private Limited and Ajanta Enterprises

26. Certificate dated October 31, 2007 issued by Chandrakishor Rahatekar

27. Listing Agreement dated [●] with [●].

28. Initial listing applications dated [●], and [●], filed with BSE and NSE respectively

29. In-principle listing approval dated [●], and [●], from BSE and NSE respectively

30. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated ●, 2007

31. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●], 2007

32. Letter dated April 27, 2007 to DIPP seeking clarification as to whether FIIs are permitted to participate in the Issue under the portfolio investment scheme.

33. Clarifications from the DIPP dated [●] (bearing number [•]) and the RBI dated [•] (bearing number [•]) respectively.

34. Due diligence certificate dated November 14, 2007 to SEBI from the BRLMs.

35. SEBI observation letter No. [•] dated [•], 2007.

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

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, applicable, 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 the rules made thereunder or guidelines issued, as the case may be, and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with, and that directly or indirectly we hold or have an interest in the Land Reserves. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Amar Lulla

R. Vasudevan

K.G. Krishnamurthy

V. Mohan

R. Kannan

Ameet Hariani*

* Signed through a duly constituted Power of Attorney

Signed by the Chief Financial Officer

Date: , 2007

Place: Pune